

Senate Bill No. 1041

CHAPTER 834

An act to amend Sections 109.5, 1155, 1503, 2101, 2105, 2107, 2112, 2204, 3304, 5120, 5817, 6211, 6611, 6810, 8211, 8611, 8810, 12571, 12631, 12670, 15901.09, 15901.16, 15902.01, 15902.04, 15902.07, 15903.06, 15906.05, 15909.06, 15909.07, 15911.06, 16309, 16906, 16915, 16953, 16959, 16960, 17701.09, 17701.15, 17702.02, 17702.03, 17702.06, 17707.08, 17708.05, 17708.06, 17710.06, 17710.14, and 18210 of the Corporations Code, to amend Section 14101.6 of the Financial Code, and to amend Section 12261 of the Government Code, relating to business.

[Approved by Governor September 29, 2014. Filed with
Secretary of State September 29, 2014.]

LEGISLATIVE COUNSEL'S DIGEST

SB 1041, Jackson. Business: filings.

Existing law requires certain business entities, including, but not limited to, a corporation, a limited partnership, a foreign corporation, a foreign limited partnership, a limited liability partnership, a foreign limited liability partnership, a flexible purpose corporation, a limited liability company, an unincorporated association, and a credit union, to make various filings with the Secretary of State. Existing law authorizes agents designated for service of process for specified entities to file a written statement of resignation as that agent with the Secretary of State. Existing law allows a person to apply for and reserve a name for a business entity with the Secretary of State. Existing law requires the Secretary of State to reinstate a fraudulently terminated business entity upon court order.

This bill, among other things, would require the written statement of resignation to be made on a form prescribed by the Secretary of State for filing, as specified, and would allow the Secretary of State to destroy or otherwise dispose of a resignation after a new form is filed, replacing the agent. This bill would allow a person to cancel the registration of the name of specified business entities by delivering to the Secretary of State a certificate of cancellation of the entity's name on a form prescribed by the Secretary of State. This bill would require a foreign limited liability company that adopts a new name to relinquish an alternate name, as provided. This bill would additionally condition reinstatement of a fraudulently terminated business entity upon the business entity concurrently submitting for filing an amendment to change its name to eliminate conflict, if there is a conflict with the entity name, as provided.

This bill would incorporate additional changes to Sections 1155 and 3304 of the Corporations Code proposed by SB 1301 that would become operative

only if this bill and SB 1301 are both chaptered and this bill is chaptered last.

The people of the State of California do enact as follows:

SECTION 1. Section 109.5 of the Corporations Code is amended to read:

109.5. (a) Provisions of the articles described in paragraph (3) of subdivision (g) of Section 202 and subdivisions (a) and (b) of Section 204 may be made dependent upon facts ascertainable outside the articles, if the manner in which those facts shall operate upon those provisions is clearly and expressly set forth in the articles. Similarly, any of the terms of an agreement of merger pursuant to Section 1101 may be made dependent upon facts ascertainable outside that agreement, if the manner in which those facts shall operate upon the terms of the agreement is clearly and expressly set forth in the agreement of merger.

(b) Notwithstanding subdivision (a), when any provisions or terms of articles or an agreement of merger are made dependent upon facts ascertainable outside the filed instrument through a reference to an agreement or similar document, the corporation filing that instrument shall (1) maintain at its principal executive office a copy of any such agreement or document and all amendments and (2) provide to its shareholders, in the case of articles, or to shareholders of any constituent corporation, in the case of an agreement of merger, a copy of them upon written request and without charge.

(c) If the reference to an agreement or contract is a reference to an agreement or contract to which the corporation is a party (a “referenced agreement” in this section), any amendment or revision of the referenced agreement requires shareholder approval, in addition to approvals otherwise required, in the following instances and no other:

(1) If the amendment or revision of the referenced agreement would result in a material change in the rights, preferences, privileges, or restrictions of a class or series of shares, the amendment or revision of the referenced agreement is required to be approved by the outstanding shares (Section 152) of that class or series.

(2) If the amendment or revision of the referenced agreement would result in a material change in the rights or liabilities of any class or series of shares with respect to the subject matter of paragraph (1), (2), (3), (5), or (9) of subdivision (a) of Section 204, the amendment or revision of the referenced agreement is required to be approved by the outstanding shares (Section 152) of that class or series.

(3) If the amendment or revision of the referenced agreement would result in a material change in the restrictions on transfer or hypothecation of any class or series of shares, the amendment or revision of the referenced agreement is required to be approved by the outstanding shares (Section 152) of that class or series.

(4) If the amendment or revision of the referenced agreement would result in a change of any of the principal terms of an agreement of merger, the amendment or revision of the referenced agreement is required to be approved in the same manner as required by Section 1104 for a change in the principal terms of an agreement of merger.

SEC. 2. Section 1155 of the Corporations Code is amended to read:

1155. (a) To convert a corporation:

(1) If the corporation is converting into a domestic limited partnership, a statement of conversion shall be completed on the certificate of limited partnership for the converted entity.

(2) If the corporation is converting into a domestic partnership, a statement of conversion shall be completed on the statement of partnership authority for the converted entity, or if no statement of partnership authority is filed then a certificate of conversion shall be filed separately.

(3) If the corporation is converting into a domestic limited liability company, a statement of conversion shall be completed on the articles of organization for the converted entity.

(4) If the corporation is converting into a flexible purpose corporation, a statement of conversion shall be completed on the articles for the converted entity.

(b) Any statement or certificate of conversion of a converting corporation shall be executed and acknowledged by those officers of the converting corporation as would be required to sign an officers' certificate (Section 173), and shall set forth all of the following:

(1) The name of the converting corporation and the Secretary of State's file number of the converting corporation.

(2) A statement of the total number of outstanding shares of each class entitled to vote on the conversion, that the principal terms of the plan of conversion were approved by a vote of the number of shares of each class which equaled or exceeded the vote required under Section 1152, specifying each class entitled to vote and the percentage vote required of each class.

(3) The name, form, and jurisdiction of organization of the converted entity.

(4) The name and street address of the corporation's agent for service of process. If a corporation qualified under Section 1505 is designated, no address for it shall be set forth.

(c) For the purposes of this chapter, the certificate of conversion shall be on a form prescribed by the Secretary of State.

(d) The filing with the Secretary of State of a statement of conversion on an organizational document or a certificate of conversion as set forth in subdivision (a) shall have the effect of the filing of a certificate of dissolution by the converting corporation and no converting corporation that has made the filing is required to file a certificate of election under Section 1901 or a certificate of dissolution under Section 1905 as a result of that conversion.

(e) Upon the effectiveness of a conversion pursuant to this chapter, a converted entity that is a flexible purpose corporation, domestic partnership, domestic limited partnership, or domestic limited liability company shall

be deemed to have assumed the liability of the converting corporation (1) to prepare and file or cause to be prepared and filed all tax and information returns otherwise required of the converting corporation under the Corporation Tax Law (Part 11 (commencing with Section 23001) of Division 2 of the Revenue and Taxation Code) and (2) to pay any tax liability determined to be due pursuant to that law.

SEC. 2.5. Section 1155 of the Corporations Code is amended to read:

1155. (a) To convert a corporation:

(1) If the corporation is converting into a domestic limited partnership, a statement of conversion shall be completed on the certificate of limited partnership for the converted entity.

(2) If the corporation is converting into a domestic partnership, a statement of conversion shall be completed on the statement of partnership authority for the converted entity, or if no statement of partnership authority is filed then a certificate of conversion shall be filed separately.

(3) If the corporation is converting into a domestic limited liability company, a statement of conversion shall be completed on the articles of organization for the converted entity.

(b) Any statement or certificate of conversion of a converting corporation shall be executed and acknowledged by those officers of the converting corporation as would be required to sign an officers' certificate (Section 173), and shall set forth all of the following:

(1) The name of the converting corporation and the Secretary of State's file number of the converting corporation.

(2) A statement of the total number of outstanding shares of each class entitled to vote on the conversion, that the principal terms of the plan of conversion were approved by a vote of the number of shares of each class which equaled or exceeded the vote required under Section 1152, specifying each class entitled to vote and the percentage vote required of each class.

(3) The name, form, and jurisdiction of organization of the converted entity.

(4) The name and street address of the corporation's agent for service of process. If a corporation qualified under Section 1505 is designated, no address for it shall be set forth.

(c) For the purposes of this chapter, the certificate of conversion shall be on a form prescribed by the Secretary of State.

(d) The filing with the Secretary of State of a statement of conversion on an organizational document or a certificate of conversion as set forth in subdivision (a) shall have the effect of the filing of a certificate of dissolution by the converting corporation and no converting corporation that has made the filing is required to file a certificate of election under Section 1901 or a certificate of dissolution under Section 1905 as a result of that conversion.

(e) Upon the effectiveness of a conversion pursuant to this chapter, a converted entity that is a domestic partnership, domestic limited partnership, or domestic limited liability company shall be deemed to have assumed the liability of the converting corporation (1) to prepare and file or cause to be prepared and filed all tax and information returns otherwise required of the

converting corporation under the Corporation Tax Law (Part 11 (commencing with Section 23001) of Division 2 of the Revenue and Taxation Code) and (2) to pay any tax liability determined to be due pursuant to that law.

SEC. 3. Section 1503 of the Corporations Code is amended to read:

1503. (a) An agent designated for service of process pursuant to Section 202, 1502, 2105, or 2117 may deliver to the Secretary of State, on a form prescribed by the Secretary of State for filing, a signed and acknowledged written statement of resignation as an agent for service of process. The form shall contain the name of the corporation, the Secretary of State's file number of the corporation, the name of the resigning agent for service of process, and a statement that the agent is resigning. Thereupon the authority of the agent to act in such capacity shall cease and the Secretary of State forthwith shall mail or otherwise provide written notice of the filing of the statement of resignation to the corporation at its principal executive office.

(b) The resignation of an agent may be effective if, on a form prescribed by the Secretary of State containing the name of the corporation, the Secretary of State's file number for the corporation, and the name of the resigning agent for service of process, the agent disclaims having been properly appointed as the agent. Similarly, a person named as an officer or director may indicate that the person was never properly appointed as the officer or director.

(c) The Secretary of State may destroy or otherwise dispose of any resignation filed pursuant to this section after a new form is filed pursuant to Section 1502 or 2117 replacing the agent for service of process that has resigned.

SEC. 4. Section 2101 of the Corporations Code is amended to read:

2101. (a) Any foreign corporation (other than a foreign association) not transacting intrastate business may register its corporate name with the Secretary of State, provided its corporate name would be available pursuant to Section 201 to a new corporation organized under this division at the time of such registration.

(b) Such registration may be made by filing (1) an application for registration signed by a corporate officer stating the name of the corporation, the state or place under the laws of which it is incorporated, the date of its incorporation, and that it desires to register its name under this section; and (2) a certificate of an authorized public official of the state or place in which it is organized stating that such corporation is in good standing under those laws. Such registration shall be effective until the close of the calendar year in which the application for registration is filed.

(c) A corporation that has in effect a registration of its corporate name may renew such registration from year to year by annually filing an application for renewal setting forth the facts required to be set forth in an original application for registration and a certificate of good standing as required for the original registration between the first day of October and the 31st day of December in each year. Such renewal application shall extend the registration for the following calendar year.

(d) A corporation that has in effect a registration of its corporate name may cancel the registration by delivering to the Secretary of State, on a form prescribed by the Secretary of State for filing, a certificate of cancellation of foreign name registration signed by a corporate officer containing the name of the corporation and the Secretary of State's file number of the corporation.

SEC. 5. Section 2105 of the Corporations Code is amended to read:

2105. (a) A foreign corporation shall not transact intrastate business without having first obtained from the Secretary of State a certificate of qualification. To obtain that certificate it shall file, on a form prescribed by the Secretary of State, a statement and designation signed by a corporate officer or, in the case of a foreign association that has no officers, signed by a trustee stating:

- (1) Its name and the state or place of its incorporation or organization.
- (2) The street address of its principal executive office.
- (3) The street address of its principal office within this state, if any.
- (4) The mailing address of its principal executive office, if different from the addresses specified pursuant to paragraphs (2) and (3).

- (5) The name of an agent upon whom process directed to the corporation may be served within this state. The designation shall comply with the provisions of subdivision (b) of Section 1502.

- (6) (A) Its irrevocable consent to service of process directed to it upon the agent designated and to service of process on the Secretary of State if the agent so designated or the agent's successor is no longer authorized to act or cannot be found at the address given.

- (B) Consent under this paragraph extends to service of process directed to the foreign corporation's agent in California for a search warrant issued pursuant to Section 1524.2 of the Penal Code, or for any other validly issued and properly served search warrant, for records or documents that are in the possession of the foreign corporation and are located inside or outside of this state. This subparagraph shall apply to a foreign corporation that is a party or a nonparty to the matter for which the search warrant is sought. For purposes of this subparagraph, "properly served" means delivered by hand, or in a manner reasonably allowing for proof of delivery if delivered by United States mail, overnight delivery service, or facsimile to a person or entity listed in Section 2110.

- (7) If it is a corporation which will be subject to the Insurance Code as an insurer, it shall so state that fact.

- (b) Annexed to that statement and designation shall be a certificate by an authorized public official of the state or place of incorporation of the corporation to the effect that the corporation is an existing corporation in good standing in that state or place or, in the case of an association, an officers' certificate stating that it is a validly organized and existing business association under the laws of a specified foreign jurisdiction.

- (c) Before it may be designated by any foreign corporation as its agent for service of process, any corporate agent must comply with Section 1505.

SEC. 6. Section 2107 of the Corporations Code is amended to read:

2107. (a) If any foreign corporation (but not a foreign association) qualified to transact intrastate business shall change its name or make a change affecting an assumed name under Section 2106, it shall file, on a form prescribed by the Secretary of State, an amended statement signed by a corporate officer setting forth the change made. The amended statement shall set forth the name relinquished as well as the new name assumed and there shall be annexed to the amended statement a certificate of an authorized public official of its state or place of incorporation that the change of name was made in accordance with the laws of that state or place. Upon the filing of the amended statement, the Secretary of State shall issue a new certificate of qualification.

(b) If any foreign association qualified to transact intrastate business shall change its name, the address of its principal office in this state, the address of its principal executive office or its agent for the service of process, or if the stated address of any natural person designated as agent is changed, it shall file, on a form prescribed by the Secretary of State, an amended statement and designation signed by an officer or, in the case of a foreign association that has no officers, signed by a trustee setting forth the change or changes made. In the case of a change of name, the amended statement and designation shall set forth the name relinquished as well as the new name assumed and there shall be annexed to the amended statement and designation an officer's certificate, or trustee's certificate, if applicable, stating that such change of name was made in accordance with its declaration of trust. If the change includes a change of name, or a change affecting an assumed name pursuant to Section 2106, upon the filing of the amended statement, the Secretary of State shall issue a new certificate of qualification.

(c) If the change includes a change of name of an insurer subject to the Insurance Code, the form shall include a statement that the corporation is such an insurer if it does not already so appear.

(d) If a foreign corporation qualified to transact business in this state shall change the address of its principal office in this state, the address of its principal executive office, or its agent for the service of process, or if the stated address of any natural person designated as agent is changed, the filing of a statement pursuant to Section 2117 shall supersede the statement and designation with respect thereto.

SEC. 7. Section 2112 of the Corporations Code is amended to read:

2112. (a) Subject to Section 2113, a foreign corporation which has qualified to transact intrastate business may surrender its right to engage in that business within this state by filing a certificate of surrender signed by a corporate officer or, in the case of a foreign association that has no officers, signed by a trustee stating:

- (1) The name of the corporation as shown on the records of the Secretary of State, and the state or place of incorporation or organization.
- (2) That it revokes its designation of agent for service of process.
- (3) That it surrenders its authority to transact intrastate business.

(4) That it consents that process against it in any action upon any liability or obligation incurred within this state prior to the filing of the certificate of withdrawal may be served upon the Secretary of State.

(5) A post office address to which the Secretary of State may mail a copy of any process against the corporation that is served upon the Secretary of State, which address or the name to which the process should be sent may be changed from time to time by filing a statement signed by a corporate officer or, in the case of a foreign association that has no officers, signed by a trustee stating the new address or name or both.

(6) Except in the case of a foreign association, that a final franchise tax return, as described by Section 23332 of the Revenue and Taxation Code, has been or will be filed with the Franchise Tax Board, as required under Part 10.2 (commencing with Section 18401) of Division 2 of the Revenue and Taxation Code.

(b) The Secretary of State shall notify the Franchise Tax Board of the surrender.

SEC. 8. Section 2204 of the Corporations Code is amended to read:

2204. (a) Upon the failure of a corporation to file the statement required by Section 1502, the Secretary of State shall provide a notice of that delinquency to the corporation. The notice shall also contain information concerning the application of this section, advise the corporation of the penalty imposed by Section 19141 of the Revenue and Taxation Code for failure to timely file the required statement after notice of the delinquency has been provided by the Secretary of State, and shall advise the corporation of its right to request relief from the Secretary of State because of reasonable cause or unusual circumstances that justify the failure to file. If, within 60 days of providing notice of the delinquency, a statement pursuant to Section 1502 has not been filed by the corporation, the Secretary of State shall certify the name of the corporation to the Franchise Tax Board.

(b) Upon certification pursuant to subdivision (a), the Franchise Tax Board shall assess against the corporation the penalty provided in Section 19141 of the Revenue and Taxation Code.

(c) The penalty herein provided shall not apply to a corporation that on or prior to the date of certification pursuant to subdivision (a) has dissolved, has converted to another type of business entity, or has been merged into another corporation or other business entity.

(d) The penalty herein provided shall not apply and the Secretary of State need not provide a notice of the delinquency to a corporation if the corporate powers, rights, and privileges have been suspended by the Franchise Tax Board pursuant to Section 23301, 23301.5, or 23775 of the Revenue and Taxation Code on or prior to, and remain suspended on, the last day of the filing period pursuant to Section 1502. The Secretary of State need not provide notice of the filing requirement pursuant to Section 1502 to a corporation if the corporate powers, rights, and privileges have been so suspended by the Franchise Tax Board on or prior to, and remain suspended on, the day the Secretary of State prepares the notice for sending.

(e) If, after certification pursuant to subdivision (a), the Secretary of State finds (1) the required statement was filed before the expiration of the 60-day period after providing notice of the delinquency, or (2) the failure to provide notice of delinquency was due to an error of the Secretary of State, the Secretary of State shall promptly decertify the name of the corporation to the Franchise Tax Board. The Franchise Tax Board shall then promptly abate any penalty assessed against the corporation pursuant to Section 19141 of the Revenue and Taxation Code.

(f) If the Secretary of State determines that the failure of a corporation to file the statement required by Section 1502 is excusable because of reasonable cause or unusual circumstances that justify the failure, the Secretary of State may waive the penalty imposed by this section and by Section 19141 of the Revenue and Taxation Code, in which case the Secretary of State shall not certify the name of the corporation to the Franchise Tax Board, or if already certified, the Secretary of State shall promptly decertify the name of the corporation.

SEC. 9. Section 3304 of the Corporations Code is amended to read:

3304. (a) To convert a flexible purpose corporation:

(1) If the flexible purpose corporation is converting into a domestic limited partnership, a statement of conversion shall be completed on the certificate of limited partnership for the converted entity.

(2) If the flexible purpose corporation is converting into a domestic partnership, a statement of conversion shall be completed on the statement of partnership authority for the converted entity, or if no statement of partnership authority is filed, then a certificate of conversion shall be filed separately.

(3) If the flexible purpose corporation is converting into a domestic limited liability company, a statement of conversion shall be completed on the articles of organization for the converted entity.

(4) If the flexible purpose corporation is converting into a domestic corporation, a statement of conversion shall be completed on the articles for the converted entity.

(b) Any statement or certificate of conversion of a converting flexible purpose corporation shall be executed and acknowledged by those officers of the converting flexible purpose corporation as would be required to sign an officers' certificate, and shall set forth all of the following:

(1) The name and the Secretary of State's file number of the converting flexible purpose corporation.

(2) A statement of the total number of outstanding shares of each class entitled to vote on the conversion, that the principal terms of the plan of conversion were approved by a vote of the number of shares of each class which equaled or exceeded the vote required under Section 3302, specifying each class entitled to vote and the percentage vote required of each class.

(3) The name, form, and jurisdiction of organization of the converted entity.

(4) The name and street address of the converted entity's agent for service of process. If a corporation qualified under Section 1505 is designated as the agent, no address for it shall be set forth.

(c) The certificate of conversion shall be on a form prescribed by the Secretary of State.

(d) The filing with the Secretary of State of a statement of conversion on an organizational document or a certificate of conversion as set forth in subdivision (a) shall have the effect of the filing of a certificate of dissolution by the converting flexible purpose corporation and no converting flexible purpose corporation that has made the filing is required to file a certificate of election under Section 1901 or a certificate of dissolution under Section 1905 as a result of that conversion.

(e) Upon the effectiveness of a conversion pursuant to this chapter, a converted entity that is a domestic partnership, domestic limited partnership, or domestic limited liability company shall be deemed to have assumed the liability of the converting flexible purpose corporation to prepare and file or cause to be prepared and filed all tax and information returns otherwise required of the converting flexible purpose corporation under the Corporation Tax Law (Part 11 (commencing with Section 23001) of Division 2 of the Revenue and Taxation Code) and to pay any tax liability determined to be due pursuant to that law.

SEC. 9.5. Section 3304 of the Corporations Code is amended to read:

3304. (a) To convert a social purpose corporation:

(1) If the social purpose corporation is converting into a domestic limited partnership, a statement of conversion shall be completed on the certificate of limited partnership for the converted entity.

(2) If the social purpose corporation is converting into a domestic partnership, a statement of conversion shall be completed on the statement of partnership authority for the converted entity, or if no statement of partnership authority is filed, then a certificate of conversion shall be filed separately.

(3) If the social purpose corporation is converting into a domestic limited liability company, a statement of conversion shall be completed on the articles of organization for the converted entity.

(b) Any statement or certificate of conversion of a converting social purpose corporation shall be executed and acknowledged by those officers of the converting social purpose corporation as would be required to sign an officers' certificate, and shall set forth all of the following:

(1) The name and the Secretary of State's file number of the converting social purpose corporation.

(2) A statement of the total number of outstanding shares of each class entitled to vote on the conversion, that the principal terms of the plan of conversion were approved by a vote of the number of shares of each class which equaled or exceeded the vote required under Section 3302, specifying each class entitled to vote and the percentage vote required of each class.

(3) The name, form, and jurisdiction of organization of the converted entity.

(4) The name and street address of the converted entity's agent for service of process. If a corporation qualified under Section 1505 is designated as the agent, no address for it shall be set forth.

(c) The certificate of conversion shall be on a form prescribed by the Secretary of State.

(d) The filing with the Secretary of State of a statement of conversion on an organizational document or a certificate of conversion as set forth in subdivision (a) shall have the effect of the filing of a certificate of dissolution by the converting social purpose corporation and no converting social purpose corporation that has made the filing is required to file a certificate of election under Section 1901 or a certificate of dissolution under Section 1905 as a result of that conversion.

(e) Upon the effectiveness of a conversion pursuant to this chapter, a converted entity that is a domestic partnership, domestic limited partnership, or domestic limited liability company shall be deemed to have assumed the liability of the converting social purpose corporation to prepare and file or cause to be prepared and filed all tax and information returns otherwise required of the converting social purpose corporation under the Corporation Tax Law (Part 11 (commencing with Section 23001) of Division 2 of the Revenue and Taxation Code) and to pay any tax liability determined to be due pursuant to that law.

SEC. 10. Section 5120 of the Corporations Code is amended to read:

5120. (a) One or more persons may form a corporation under this part by executing and filing articles of incorporation.

(b) If initial directors are named in the articles, each director named in the articles shall sign and acknowledge the articles; if initial directors are not named in the articles, the articles shall be signed by one or more persons who thereupon are the incorporators of the corporation.

(c) The corporate existence begins upon the filing of the articles and continues perpetually, unless otherwise expressly provided by law or in the articles.

(d) At the time of filing pursuant to this section, the Secretary of State shall forward a copy of the filed articles of incorporation to the Attorney General.

(e) If the corporation was created by the elected legislative body in order to exercise authority that may lawfully be delegated by the elected governing body to a private corporation or other entity, the Secretary of State shall forward a copy of the filed articles of incorporation to the Controller.

SEC. 11. Section 5817 of the Corporations Code is amended to read:

5817. Upon the filing of the certificate of amendment, the articles shall be amended in accordance with the certificate and any change, reclassification, or cancellation of memberships shall be effected, and a copy of the certificate, certified by the Secretary of State, is prima facie evidence of the performance of the conditions necessary to the adoption of the amendment. The Secretary of State shall forward a copy of the filed certificate of amendment to the Attorney General.

SEC. 12. Section 6211 of the Corporations Code is amended to read:

6211. (a) An agent designated for service of process pursuant to Section 6210 may deliver to the Secretary of State, on a form prescribed by the Secretary of State for filing, a signed and acknowledged written statement of resignation as an agent for service of process containing the name of the corporation, the Secretary of State's file number of the corporation, the name of the resigning agent for service of process, and a statement that the agent is resigning. Thereupon the authority of the agent to act in that capacity shall cease and the Secretary of State forthwith shall mail or otherwise provide written notice of the filing of the statement of resignation to the corporation at its principal office.

(b) The resignation of an agent may be effective if, on a form prescribed by the Secretary of State containing the name of the corporation, the Secretary of State's file number for the corporation, and the name of the agent for service of process, the agent disclaims having been properly appointed as the agent. Similarly, a person named as an officer or director may indicate that the person was never properly appointed as the officer or director.

(c) The Secretary of State may destroy or otherwise dispose of any resignation filed pursuant to this section after a new form is filed pursuant to Section 6210 replacing the agent for service of process that has resigned.

SEC. 13. Section 6611 of the Corporations Code is amended to read:

6611. (a) Whenever a corporation has elected to wind up and dissolve a certificate evidencing that election shall forthwith be filed and a copy thereof filed with the Attorney General.

(b) The certificate shall be an officers' certificate or shall be signed and verified by at least a majority of the directors then in office or by one or more members authorized to do so by approval of a majority of all members (Section 5033) and shall set forth:

(1) That the corporation has elected to wind up and dissolve.

(2) If the election was made by the vote of members alone, the number of votes for the election and that the election was made by a majority of all members (Section 5033).

(3) If the election was made by the board and members pursuant to paragraph (2) of subdivision (a) of Section 6610, or subparagraph (B) of paragraph (1) of subdivision (b) of Section 9680, the certificate shall state that it was made by the board and the members in accordance with Section 5034.

(4) If the certificate is executed by a member or members, that the subscribing person or persons were authorized to execute the certificate by a majority of all members (Section 5033).

(5) If the election was made by the board pursuant to subdivision (b) of Section 6610, or paragraph (2) of subdivision (b) of Section 9680, the circumstances showing the corporation to be within one of the categories described in that subdivision.

(c) If an election to dissolve made pursuant to subdivision (a) of Section 6610 or paragraph (1) of subdivision (b) of Section 9680 is made by the vote of all the members of a corporation with members or by all members

of the board of a corporation without members pursuant to subdivision (b) of Section 6610, or paragraph (2) of subdivision (b) of Section 9680 and a statement to that effect is added to the certificate of dissolution pursuant to Section 6615, the separate filing of the certificate of election pursuant to this section is not required.

SEC. 14. Section 6810 of the Corporations Code is amended to read:

6810. (a) Upon the failure of a corporation to file the statement required by Section 6210, the Secretary of State shall provide a notice of that delinquency to the corporation. The notice shall also contain information concerning the application of this section, and advise the corporation of the penalty imposed by Section 19141 of the Revenue and Taxation Code for failure to timely file the required statement after notice of delinquency has been provided by the Secretary of State. If, within 60 days after providing the notice of delinquency, a statement pursuant to Section 6210 has not been filed by the corporation, the Secretary of State shall certify the name of the corporation to the Franchise Tax Board.

(b) Upon certification pursuant to subdivision (a), the Franchise Tax Board shall assess against the corporation a penalty of fifty dollars (\$50) pursuant to Section 19141 of the Revenue and Taxation Code.

(c) The penalty herein provided shall not apply to a corporation that on or prior to the date of certification pursuant to subdivision (a) has dissolved, has converted to another type of business entity, or has been merged into another corporation or other business entity.

(d) The penalty herein provided shall not apply and the Secretary of State need not provide a notice of the delinquency to a corporation the corporate powers, rights, and privileges of which have been suspended by the Franchise Tax Board pursuant to Section 23301, 23301.5, or 23775 of the Revenue and Taxation Code on or prior to, and remain suspended on, the last day of the filing period pursuant to Section 6210. The Secretary of State need not provide notice of the filing requirement pursuant to Section 6210 to a corporation the corporate powers, rights, and privileges of which have been so suspended by the Franchise Tax Board on or prior to, and remain suspended on, the day the Secretary of State prepares the notice for sending.

(e) If, after certification pursuant to subdivision (a), the Secretary of State finds the required statement was filed before the expiration of the 60-day period after providing notice of the delinquency, the Secretary of State shall promptly decertify the name of the corporation to the Franchise Tax Board. The Franchise Tax Board shall then promptly abate any penalty assessed against the corporation pursuant to Section 19141 of the Revenue and Taxation Code.

(f) If the Secretary of State determines that the failure of a corporation to file a statement required by Section 6210 is excusable because of reasonable cause or unusual circumstances that justify the failure, the Secretary of State may waive the penalty imposed by this section and by Section 19141 of the Revenue and Taxation Code, in which case the Secretary of State shall not certify the name of the corporation to the

Franchise Tax Board, or if already certified, the Secretary of State shall promptly decertify the name of the corporation.

SEC. 15. Section 8211 of the Corporations Code is amended to read:

8211. (a) An agent designated for service of process pursuant to Section 8210 may deliver to the Secretary of State, on a form prescribed by the Secretary of State for filing, a signed and acknowledged written statement of resignation as an agent for service of process containing the name of the corporation, the Secretary of State's file number of the corporation, the name of the resigning agent for service of process, and a statement that the agent is resigning. Thereupon the authority of the agent to act in that capacity shall cease and the Secretary of State forthwith shall mail or otherwise provide written notice of the filing of the statement of resignation to the corporation at its principal office.

(b) The resignation of an agent may be effective if, on a form prescribed by the Secretary of State containing the name of the corporation, the Secretary of State's file number for the corporation, and the name of the agent for service of process, the agent disclaims having been properly appointed as the agent. Similarly, a person named as an officer or director may indicate that the person was never properly appointed as the officer or director.

(c) The Secretary of State may destroy or otherwise dispose of any statement of resignation filed pursuant to this section after a new form is filed pursuant to Section 8210 replacing the agent for service of process that has resigned.

SEC. 16. Section 8611 of the Corporations Code is amended to read:

8611. (a) Whenever a corporation has elected to wind up and dissolve a certificate evidencing that election shall forthwith be filed. A copy of that certificate shall be filed with the Attorney General if the corporation holds assets in charitable trust or has a charitable dissolution clause.

(b) The certificate shall be an officers' certificate or shall be signed and verified by at least a majority of the directors then in office or by one or more members authorized to do so by approval of a majority of all members (Section 5033) and shall set forth:

(1) That the corporation has elected to wind up and dissolve.

(2) If the election was made by the vote of members alone, the number of votes for the election and that the election was made by a majority of all members (Section 5033).

(3) If the election was made by the board and the members pursuant to paragraph (2) of subdivision (a) of Section 8610, the certificate shall state that it was made by the board and the members in accordance with Section 5034.

(4) If the certificate is executed by a member or members, that the subscribing person or persons were authorized to execute the certificate a majority of all members (Section 5033).

(5) If the election was made by the board pursuant to subdivision (b) of Section 8610, the circumstances showing the corporation to be within one of the categories described in that subdivision.

(c) If an election to dissolve made pursuant to subdivision (a) of Section 8610 is made by the vote of all the members of a corporation with members or by a vote of all members of the board of a corporation without members pursuant to subdivision (b) of Section 8610 and a statement to that effect is added to the certificate of dissolution pursuant to Section 8615, the separate filing of the certificate of election pursuant to this section is not required.

SEC. 17. Section 8810 of the Corporations Code is amended to read:

8810. (a) Upon the failure of a corporation to file the statement required by Section 8210, the Secretary of State shall provide a notice of such delinquency to the corporation. The notice shall also contain information concerning the application of this section, and advise the corporation of the penalty imposed by Section 19141 of the Revenue and Taxation Code for failure to timely file the required statement after notice of delinquency has been provided by the Secretary of State. If, within 60 days after providing notice of the delinquency, a statement pursuant to Section 8210 has not been filed by the corporation, the Secretary of State shall certify the name of the corporation to the Franchise Tax Board.

(b) Upon certification pursuant to subdivision (a), the Franchise Tax Board shall assess against the corporation a penalty of fifty dollars (\$50) pursuant to Section 19141 of the Revenue and Taxation Code.

(c) The penalty herein provided shall not apply to a corporation which on or prior to the date of certification pursuant to subdivision (a) has dissolved, has converted to another type of business entity, or has been merged into another corporation or other business entity.

(d) The penalty herein provided shall not apply and the Secretary of State need not provide a notice of the delinquency to a corporation the corporate powers, rights, and privileges of which have been suspended by the Franchise Tax Board pursuant to Section 23301, 23301.5, or 23775 of the Revenue and Taxation Code on or prior to, and remain suspended on, the last day of the filing period pursuant to Section 8210. The Secretary of State need not provide notice of the filing requirement pursuant to Section 8210, to a corporation the corporate powers, rights, and privileges of which have been so suspended by the Franchise Tax Board on or prior to, and remain suspended on, the day the Secretary of State prepares the notice for sending.

(e) If, after certification pursuant to subdivision (a) the Secretary of State finds the required statement was filed before the expiration of the 60-day period after providing the notice of delinquency, the Secretary of State shall promptly decertify the name of the corporation to the Franchise Tax Board. The Franchise Tax Board shall then promptly abate any penalty assessed against the corporation pursuant to Section 19141 of the Revenue and Taxation Code.

(f) If the Secretary of State determines that the failure of a corporation to file a statement required by Section 8210 is excusable because of reasonable cause or unusual circumstances which justify the failure, the Secretary of State may waive the penalty imposed by this section and by Section 19141 of the Revenue and Taxation Code, in which case the Secretary of State shall not certify the name of the corporation to the

Franchise Tax Board, or if already certified, the Secretary of State shall promptly decertify the name of the corporation.

SEC. 18. Section 12571 of the Corporations Code is amended to read:

12571. (a) An agent designated for service of process pursuant to Section 12570 may deliver to the Secretary of State, on a form prescribed by the Secretary of State for filing, a signed and acknowledged written statement of resignation as an agent for service of process containing the name of the corporation, the Secretary of State's file number of the corporation, the name of the resigning agent for service of process, and a statement that the agent is resigning. Thereupon the authority of the agent to act in that capacity shall cease and the Secretary of State forthwith shall mail or otherwise provide written notice of the filing of the statement of resignation to the corporation at its principal office.

(b) The resignation of an agent may be effective if, on a form prescribed by the Secretary of State containing the name of the corporation, the Secretary of State's file number for the corporation, and the name of the resigning agent for service of process, the agent disclaims having been properly appointed as the agent. Similarly, a person named as an officer or director may indicate that the person was never properly appointed as the officer or director.

(c) The Secretary of State may destroy or otherwise dispose of any resignation filed pursuant to this section after a new form is filed pursuant to Section 12570 replacing the agent for service of process that has resigned.

SEC. 19. Section 12631 of the Corporations Code is amended to read:

12631. (a) Whenever a corporation has elected to wind up and dissolve a certificate evidencing that election shall forthwith be filed.

(b) The certificate shall be an officers' certificate or shall be signed and verified by at least a majority of the directors then in office or by one or more members authorized to do so by approval of a majority of all members (Section 12223) and shall set forth:

(1) That the corporation has elected to wind up and dissolve.

(2) If the election was made by the vote of members alone, the number of votes for the election and that the election was made by persons holding at least a majority of the voting power.

(3) If the certificate is executed by a member or members, that the subscribing person or persons were authorized to execute the certificate by persons representing at least a majority of the voting power.

(4) If the election was made by the board pursuant to subdivision (b) of Section 12630, the certificate shall also set forth the circumstances showing the corporation to be within one of the categories described in that subdivision.

(c) If an election to dissolve made pursuant to subdivision (a) of Section 12630 is made by the vote of all the members of a corporation with members or by a vote of all members of the board of a corporation without members pursuant to subdivision (b) of Section 12630 and a statement to that effect is added to the certificate of dissolution pursuant to Section 12635, the

separate filing of the certificate of election pursuant to this section is not required.

SEC. 20. Section 12670 of the Corporations Code is amended to read:

12670. (a) Upon the failure of a corporation to file the statement required by Section 12570, the Secretary of State shall provide a notice of that delinquency to the corporation. The notice shall also contain information concerning the application of this section, and shall advise the corporation of the penalty imposed by Section 19141 of the Revenue and Taxation Code for failure to timely file the required statement after notice of delinquency has been provided by the Secretary of State. If, within 60 days after providing notice of the delinquency, a statement pursuant to Section 12570 has not been filed by the corporation, the Secretary of State shall certify the name of the corporation to the Franchise Tax Board.

(b) Upon certification pursuant to subdivision (a), the Franchise Tax Board shall assess against the corporation a penalty of fifty dollars (\$50) pursuant to Section 19141 of the Revenue and Taxation Code.

(c) The penalty herein provided shall not apply to a corporation which on or prior to the date of certification pursuant to subdivision (a) has dissolved, has been converted to another type of business entity, or has been merged into another corporation or other business entity.

(d) The penalty herein provided shall not apply and the Secretary of State need not provide a notice of the delinquency to a corporation the corporate powers, rights, and privileges of which have been suspended by the Franchise Tax Board pursuant to Section 23301, 23301.5, or 23775 of the Revenue and Taxation Code on or prior to, and remain suspended on, the last day of the filing period pursuant to Section 12570. The Secretary of State need not provide notice of the filing requirement pursuant to Section 12570, to a corporation the corporate powers, rights, and privileges of which have been so suspended by the Franchise Tax Board on or prior to, and remain suspended on, the day the Secretary of State prepares the notice for sending.

(e) If, after certification pursuant to subdivision (a) the Secretary of State finds the required statement was filed before the expiration of the 60-day period after providing notice of the delinquency, the Secretary of State shall promptly decertify the name of the corporation to the Franchise Tax Board. The Franchise Tax Board shall then promptly abate any penalty assessed against the corporation pursuant to Section 19141 of the Revenue and Taxation Code.

(f) If the Secretary of State determines that the failure of a corporation to file a statement required by Section 12570 is excusable because of reasonable cause or unusual circumstances which justify the failure, the Secretary of State may waive the penalty imposed by this section and by Section 19141 of the Revenue and Taxation Code, in which case the Secretary of State shall not certify the name of the corporation to the Franchise Tax Board, or if already certified, the Secretary of State shall promptly decertify the name of the corporation.

SEC. 21. Section 15901.09 of the Corporations Code is amended to read:

15901.09. (a) The exclusive right to the use of a name that complies with Section 15901.08 may be reserved by:

- (1) a person intending to organize a limited partnership under this chapter and to adopt the name;
- (2) a limited partnership or a foreign limited partnership authorized to transact business in this state intending to adopt the name;
- (3) a foreign limited partnership intending to obtain a certificate of registration to transact business in this state and adopt the name;
- (4) a person intending to organize a foreign limited partnership and intending to have it obtain a certificate of registration to transact business in this state and adopt the name;
- (5) a foreign limited partnership formed under the name; or
- (6) a foreign limited partnership formed under a name that does not comply with subdivision (b) or (c) of Section 15901.08, but the name reserved under this paragraph may differ from the foreign limited partnership's name only to the extent necessary to comply with subdivision (b) or (c) of Section 15901.08.

(b) Upon payment of the fee prescribed by Section 12188 of the Government Code, any person may apply to reserve a name under subdivision (a), and obtain from the Secretary of State a certificate of reservation of any name not prohibited by Section 15901.08. If the Secretary of State finds that the name is available for use by the applicant, the Secretary of State shall issue a certificate of name reservation and thereby reserve the name for the exclusive use of the applicant for 60 days.

(c) An applicant that has reserved a name pursuant to subdivision (b) may reserve the same name for an additional 60-day period. The Secretary of State shall not issue a certificate reserving the same name for two or more consecutive 60-day periods to the same applicant or for the use or benefit of the same person.

(d) A person that has reserved a name under this section may transfer the reserved name to another person, effective upon delivery to the Secretary of State of a signed notice of transfer that states the reserved name and the name and address of the person to which the reservation is to be transferred.

SEC. 22. Section 15901.16 of the Corporations Code is amended to read:

15901.16. (a) In addition to Chapter 4 (commencing with Section 413.10) of Title 5 of Part 2 of the Code of Civil Procedure, process may be served upon limited partnerships and foreign limited partnerships as provided in this section.

(b) Personal service of a copy of any process against the limited partnership or the foreign limited partnership will constitute valid service on the limited partnership if delivered either (1) to any individual designated by it as agent or, if a limited partnership, to any general partner or (2) if the designated agent or, if a limited partnership, general partner is a corporation, to any person named in the latest certificate of the corporate agent filed pursuant to Section 1505 at the office of the corporate agent or to any officer of the general partner, shall constitute valid service on the limited partnership

or the foreign limited partnership. No change in the address of the agent for service of process where the agent is an individual or appointment of a new agent for service of process shall be effective (1) for a limited partnership until an amendment to the certificate of limited partnership is filed or (2) for a foreign limited partnership until an amendment to the application for registration is filed. In the case of a foreign limited partnership that has appointed the Secretary of State as agent for service of process by reason of subdivision (b) of Section 15909.07, process shall be delivered by hand to the Secretary of State, or to any person employed in the capacity of assistant or deputy, which shall be one copy of the process for each defendant to be served, together with a copy of the court order authorizing the service and the fee therefor. The order shall include and set forth an address to which the process shall be sent by the Secretary of State.

(c) (1) If an agent for service of process has resigned and has not been replaced or if the agent designated cannot with reasonable diligence be found at the address designated for personal delivery of the process, and it is shown by affidavit to the satisfaction of the court that process against a limited partnership or foreign limited partnership cannot be served with reasonable diligence upon the designated agent or, if a foreign limited partnership, upon any general partner by hand in the manner provided in Section 415.10, subdivision (a) of Section 415.20, or subdivision (a) of Section 415.30 of the Code of Civil Procedure, the court may make an order that the service shall be made upon a domestic limited partnership which has filed a certificate or upon a foreign limited partnership which has a certificate of registration to transact business in this state by delivering by hand to the Secretary of State, or to any person employed in the Secretary of State's office in the capacity of assistant or deputy, one copy of the process for each defendant to be served, together with a copy of the order authorizing the service. Service in this manner shall be deemed complete on the 10th day after delivery of the process to the Secretary of State.

(2) Upon receipt of any such copy of process and the fee therefor, the Secretary of State shall give notice of the service of the process to the limited partnership or foreign limited partnership, at its principal office, by forwarding to that office, by registered mail with request for return receipt, the copy of the process.

(3) The Secretary of State shall keep a record of all process served upon the Secretary of State under this chapter and shall record therein the time of service and the Secretary of State's action with reference thereto. A certificate under the Secretary of State's official seal, certifying to the receipt of process, the giving of notice thereof to the limited partnership or foreign limited partnership, and the forwarding of the process pursuant to this section, shall be competent and prima facie evidence of the matters stated therein.

(d) (1) The certificate of a limited partnership and the application for a certificate of registration of a foreign limited partnership shall designate, as the agent for service of process, an individual residing in this state or a corporation which has complied with Section 1505 and whose capacity to

act as an agent has not terminated. If an individual is designated, the statement shall set forth that person's complete business or residence street address in this state. If a corporate agent is designated, no address for it shall be set forth.

(2) An agent designated for service of process may deliver to the Secretary of State, on a form prescribed by the Secretary of State for filing, a signed and acknowledged written statement of resignation as an agent for service of process containing the name of the limited partnership, the Secretary of State's file number for the limited partnership, the name of the resigning agent for service of process, and a statement that the agent is resigning. Thereupon the authority of the agent to act in that capacity shall cease and the Secretary of State forthwith shall mail or otherwise provide written notice of the filing of the statement of resignation to the limited partnership or foreign limited partnership at its designated office.

(3) The resignation of an agent may be effective if, on a form prescribed by the Secretary of State containing the name of the limited partnership, the Secretary of State's file number for the limited partnership, and the name of the agent for service of process, the agent disclaims having been properly appointed as the agent.

(4) The Secretary of State may destroy or otherwise dispose of any statement of resignation filed pursuant to this section after an amended certificate of limited partnership or amended foreign limited partnership registration is filed pursuant to Section 15902.02 or 15909.06 replacing the agent for service of process that has resigned.

(5) If an individual who has been designated agent for service of process dies or resigns or no longer resides in the state or if the corporate agent for that purpose, resigns, dissolves, withdraws from the state, forfeits its right to transact intrastate business, has its corporate rights, powers, and privileges suspended or ceases to exist, (A) the limited partnership shall promptly file an amendment to the certificate designating a new agent or (B) the foreign limited partnership shall promptly file an amendment to the application for registration.

(e) In addition to any other discovery rights which may exist, in any case pending in a California court having jurisdiction in which a party seeks records from a partnership formed under this chapter, whether or not the partnership is a party, the court shall have the power to order the production in California of the books and records of the partnership on the terms and conditions that the court deems appropriate.

SEC. 23. Section 15902.01 of the Corporations Code is amended to read:

15902.01. (a) In order for a limited partnership to be formed, a certificate of limited partnership must be filed with and on a form prescribed by the Secretary of State and, either before or after the filing of a certificate of limited partnership, the partners shall have entered into a partnership agreement. The certificate must state:

(1) the name of the limited partnership, which shall comply with Section 15901.08;

- (2) the street address of the initial designated office;
- (3) the name and street address of the initial agent for service of process in accordance with paragraph (1) of subdivision (d) of Section 15901.16;
- (4) the name and the address of each general partner; and
- (5) the mailing address of the limited partnership, if different from the address of the initial designated office.

(b) A certificate of limited partnership may also contain any other matters but may not vary or otherwise affect the provisions specified in subdivision (b) of Section 15901.10 in a manner inconsistent with that section.

(c) A limited partnership is formed when the Secretary of State files the certificate of limited partnership.

(d) Subject to subdivision (b), if any provision of a partnership agreement is inconsistent with the filed certificate of limited partnership or with a filed certificate of dissociation, cancellation, or amendment or filed certificate of conversion or merger:

- (1) the partnership agreement prevails as to partners and transferees; and
- (2) the filed certificate of limited partnership, certificate of dissociation, cancellation, or amendment or filed certificate of conversion or merger prevails as to persons, other than partners and transferees, that reasonably rely on the filed record to their detriment.

(e) A limited partnership may record in the office of the county recorder of any county in this state a certified copy of the certificate of limited partnership, or any amendment thereto, which has been filed by the Secretary of State. A foreign limited partnership may record in the office of the county recorder of any county in the state a certified copy of the application for registration to transact business, together with the certificate of registration, referred to in Section 15909.02, or any amendment thereto, which has been filed by the Secretary of State. The recording shall create a conclusive presumption in favor of any bona fide purchaser or encumbrancer for value of the partnership real property located in the county in which the certified copy has been recorded, that the persons named as general partners therein are the general partners of the partnership named and that they are all of the general partners of the partnership.

(f) The Secretary of State may cancel the filing of certificates of limited partnership if a check or other remittance accepted in payment of the filing fee is not paid upon presentation. For partners and transferees, the partnership agreement is paramount. Upon receiving written notification that the item presented for payment has not been honored for payment, the Secretary of State shall give a first written notice of the applicability of this section to the agent for service of process or to the person submitting the instrument. Thereafter, if the amount has not been paid by cashier's check or equivalent, the Secretary of State shall give a second written notice of cancellation and the cancellation shall thereupon be effective. The second notice shall be given 20 days or more after the first notice and 90 days or less after the original filing.

(g) The Secretary of State shall include with instructional materials, provided in conjunction with the form for filing a certificate of limited

partnership under subdivision (a), a notice that the filing of the certificate of limited partnership will obligate the limited partnership to pay an annual tax for that taxable year to the Franchise Tax Board pursuant to Section 17935 of the Revenue and Taxation Code. That notice shall be updated annually to specify the dollar amount of the annual tax.

SEC. 24. Section 15902.04 of the Corporations Code is amended to read:

15902.04. (a) Each record delivered to the Secretary of State for filing pursuant to this chapter must be signed in the following manner:

(1) An initial certificate of limited partnership must be signed by all general partners listed in the certificate.

(2) An amendment designating as general partner a person admitted under paragraph (2) of subdivision (c) of Section 15908.01 following the dissociation of a limited partnership's last general partner must be signed by that person.

(3) An amendment required by subdivision (c) of Section 15908.03 following the appointment of a person to wind up the dissolved limited partnership's activities must be signed by that person.

(4) Any other amendment must be signed by:

(A) at least one general partner listed in the certificate of limited partnership;

(B) each other person designated in the amendment as a new general partner; and

(C) each person that the amendment indicates has dissociated as a general partner, unless:

(i) the person is deceased or a guardian or general conservator has been appointed for the person and the amendment so states; or

(ii) the person has previously delivered to the Secretary of State for filing a certificate of dissociation.

(5) A restated certificate of limited partnership must be signed by at least one general partner listed in the certificate, and, to the extent the restated certificate effects a change under any other paragraph of this subdivision, the restated certificate must be signed in a manner that satisfies that paragraph.

(6) A certificate of cancellation must be signed by all general partners listed in the certificate of limited partnership or, if the certificate of limited partnership of a dissolved limited partnership lists no general partners, by the person appointed pursuant to subdivisions (c) or (d) of Section 15908.03 to wind up the dissolved limited partnership's activities.

(7) Certificates of conversion must be signed as provided in subdivision (b) of Section 15911.06.

(8) Certificates of merger must be signed as provided in subdivision (a) of Section 15911.14.

(9) A certificate of correction shall be executed in the same manner in which the record being corrected was required to be executed.

(10) Any other record delivered on behalf of a limited partnership to the Secretary of State for filing must be signed by at least one general partner listed in the certificate of limited partnership.

(11) A certificate of dissociation by a person pursuant to paragraph (4) of subdivision (a) of Section 15906.05 stating that the person has dissociated as a general partner must be signed by that person.

(12) A certificate of withdrawal by a person pursuant to Section 15903.06 must be signed by that person.

(13) A record delivered on behalf of a foreign limited partnership to the Secretary of State for filing must be signed by at least one general partner of the foreign limited partnership.

(14) Any other record delivered on behalf of any person to the Secretary of State for filing must be signed by that person.

(b) Any person may sign by an attorney in fact any record to be filed pursuant to this chapter.

(c) The Secretary of State shall not be required to verify that the person withdrawing or dissociating was ever actually named in an official filing as a general or limited partner.

SEC. 25. Section 15902.07 of the Corporations Code is amended to read:

15902.07. (a) A limited partnership or foreign limited partnership may deliver to and on a form prescribed by the Secretary of State for filing a certificate of correction containing the name of the limited partnership or foreign limited partnership and the Secretary of State's file number for the limited partnership or foreign limited partnership to correct a record previously delivered by the limited partnership or foreign limited partnership to the Secretary of State and filed by the Secretary of State, if at the time of filing the record contained false or erroneous information or was defectively signed.

(b) A certificate of correction may not state a delayed effective date and must:

(1) describe the record to be corrected, including its filing date and file number;

(2) specify the incorrect information and the reason it is incorrect or the manner in which the signing was defective; and

(3) correct the incorrect information or defective signature.

(c) When filed by the Secretary of State, a certificate of correction is effective retroactively as of the effective date of the record the certificate corrects, but the certificate is effective when filed:

(1) for the purposes of subdivisions (c) and (d) of Section 15901.03; and

(2) as to persons relying on the uncorrected record and adversely affected by the correction.

SEC. 26. Section 15903.06 of the Corporations Code is amended to read:

15903.06. (a) Except as otherwise provided in subdivision (b), a person that makes an investment in a business enterprise and erroneously but in good faith believes that the person has become a limited partner in the

enterprise is not liable for the enterprise's obligations by reason of making the investment, receiving distributions from the enterprise, or exercising any rights of or appropriate to a limited partner, if, on ascertaining the mistake, the person:

(1) causes an appropriate certificate of limited partnership, amendment, or certificate of correction to be signed and delivered to the Secretary of State for filing; or

(2) withdraws from future participation as an owner in the enterprise by signing and delivering to and on a form prescribed by the Secretary of State for filing a certificate of withdrawal containing the name of the limited partnership and the Secretary of State's file number of the limited partnership under this section.

(b) A person that makes an investment described in subdivision (a) is liable to the same extent as a general partner to any third party that enters into a transaction with the enterprise, believing in good faith that the person is a general partner, before the Secretary of State files a certificate of withdrawal, certificate of limited partnership, amendment, or certificate of correction to show that the person is not a general partner.

(c) If a person makes a diligent effort in good faith to comply with paragraph (1) of subdivision (a) and is unable to cause the appropriate certificate of limited partnership, amendment, or certificate of correction to be signed and delivered to the Secretary of State for filing, the person has the right to withdraw from the enterprise pursuant to paragraph (2) of subdivision (a) even if the withdrawal would otherwise breach an agreement with others that are or have agreed to become co-owners of the enterprise.

SEC. 27. Section 15906.05 of the Corporations Code is amended to read:

15906.05. (a) Upon a person's dissociation as a general partner all of the following apply:

(1) The person's right to participate as a general partner in the management and conduct of the partnership's activities terminates.

(2) The person's duty of loyalty as a general partner under paragraph (3) of subdivision (b) of Section 15904.08 terminates.

(3) The person's duty of loyalty as a general partner under paragraphs (1) and (2) of subdivision (b) of Section 15904.08 and duty of care under subdivision (c) of Section 15904.08 continue only with regard to matters arising and events occurring before the person's dissociation as a general partner.

(4) The person may sign and deliver to the Secretary of State on a form prescribed by the Secretary of State for filing, containing the name of the limited partnership and the Secretary of State's file number of the limited partnership, a certificate of dissociation pertaining to the person and, at the request of the limited partnership, shall sign an amendment to the certificate of limited partnership which states that the person has dissociated.

(5) Subject to Section 15907.04 and Article 11 (commencing with Section 15911.01), any transferable interest owned by the person immediately before

dissociation in the person's capacity as a general partner is owned by the person as a mere transferee.

(b) A person's dissociation as a general partner does not of itself discharge the person from any obligation to the limited partnership or the other partners which the person incurred while a general partner.

SEC. 28. Section 15909.06 of the Corporations Code is amended to read:

15909.06. If any statement in the application for registration of a foreign limited partnership was false when made or any statements made have become erroneous, the foreign limited partnership shall promptly deliver to, and on a form prescribed by, the Secretary of State an amendment to the application for registration containing the name of the foreign limited partnership and the Secretary of State's file number of the foreign limited partnership signed and acknowledged by the general partner amending the statement. If a foreign limited partnership delivers an amendment changing the name of the foreign limited partnership in its jurisdiction of organization, annexed to the amendment to the application for registration shall be a certificate from an authorized public official of the foreign limited partnership's jurisdiction of organization to the effect that the foreign limited partnership is in good standing and that the change of name was made in accordance with the laws of that jurisdiction, if the laws of that jurisdiction permit the issuance of those certificates, or, in the alternative, a statement by the foreign limited partnership that the laws of its jurisdiction of organization do not permit the issuance of those certificates. Unless the Secretary of State determines that the amendment to the application changing the name or alternate name of a foreign limited partnership does not comply with the filing requirements of this chapter, the Secretary of State, upon payment of all requisite fees, shall file the amended application and shall issue to the foreign limited partnership a new certificate of registration stating the date of filing of the amendment to the application changing the name and that the foreign limited partnership is qualified to transact intrastate business, subject to any licensing requirements otherwise imposed by the laws of this state.

SEC. 29. Section 15909.07 of the Corporations Code is amended to read:

15909.07. (a) In order to cancel its certificate of registration to transact business in this state, a foreign limited partnership must deliver to and on a form prescribed by the Secretary of State for filing a certificate of cancellation containing the name of the foreign limited partnership and the Secretary of State's file number of the foreign limited partnership signed and acknowledged by a general partner of the foreign limited partnership. The registration is canceled when the certificate becomes effective under Section 15902.06.

(b) A foreign limited partnership transacting business in this state may not maintain an action or proceeding in this state unless it has a certificate of registration to transact business in this state.

(c) Any foreign limited partnership that transacts intrastate business in this state without registration is subject to a penalty of twenty dollars (\$20) for each day that the unauthorized intrastate business is transacted, up to a maximum of ten thousand dollars (\$10,000). An action to recover this penalty may be brought, and any recovery shall be paid, as provided in Section 2258.

(d) The failure of a foreign limited partnership to have a certificate of registration to transact business in this state does not impair the validity of a contract or act of the foreign limited partnership or prevent the foreign limited partnership from defending an action or proceeding in this state.

(e) A partner of a foreign limited partnership is not liable for the obligations of the foreign limited partnership solely by reason of the foreign limited partnership's having transacted business in this state without a certificate of registration.

(f) If a foreign limited partnership transacts business in this state without a certificate of registration or cancels its certificate of registration, it appoints the Secretary of State as its agent for service of process for rights of action arising out of the transaction of business in this state.

SEC. 30. Section 15911.06 of the Corporations Code is amended to read:

15911.06. (a) Upon conversion of a limited partnership, one of the following applies:

(1) If the limited partnership is converting into a domestic limited liability company, a statement of conversion shall be completed on the articles of organization for the converted entity and shall be filed with the Secretary of State.

(2) If the limited partnership is converting into a domestic partnership, a statement of conversion shall be completed on the statement of partnership authority for the converted entity. If no statement of partnership authority is filed, a certificate of conversion shall be filed separately with the Secretary of State.

(3) If the limited partnership is converting into a domestic corporation, a statement of conversion shall be completed on the articles of incorporation for the converted entity and shall be filed with the Secretary of State.

(4) If the limited partnership is converting to a foreign limited partnership or foreign other business entity, a certificate of conversion shall be filed with the Secretary of State.

(b) Any certificate or statement of conversion shall be executed and acknowledged by all general partners and shall set forth all of the following:

(1) The name of the converting limited partnership and the Secretary of State's file number of the converting limited partnership.

(2) A statement that the principal terms of the plan of conversion were approved by a vote of the partners, that equaled or exceeded the vote required under Section 15911.03, specifying each class entitled to vote and the percentage vote required of each class.

(3) The form of organization of the converted entity.

(4) The street address of the converted entity's agent for service of process and the mailing address of the chief executive office of the converted entity. If a corporation that has complied with Section 1505 is designated as the agent, no address for it shall be set forth.

(c) The filing with the Secretary of State of a certificate of conversion or a statement of partnership authority, articles of organization, or articles of incorporation containing a statement of conversion as set forth in subdivision (a) shall have the effect of the filing of a certificate of cancellation by the converting limited partnership, and no converting limited partnership that has made the filing is required to file a certificate of cancellation under Section 15902.03 as a result of that conversion.

SEC. 31. Section 16309 of the Corporations Code is amended to read:

16309. (a) The statement of partnership authority may designate an agent for service of process. The agent may be an individual residing in this state or a corporation that has complied with Section 1505 and whose capacity to act as an agent has not terminated. If an individual is designated, the statement shall include that person's complete business or residence street address in this state. If a corporate agent is designated, no address for that agent shall be set forth.

(b) An agent designated for service of process may deliver to the Secretary of State, on a form prescribed by the Secretary of State for filing, a signed and acknowledged written statement of resignation as an agent for service of process containing the name of the partnership and the Secretary of State's file number of the partnership. On filing of the statement of resignation, the authority of the agent to act in that capacity shall cease and the Secretary of State shall mail or otherwise provide written notice of the filing of the statement of resignation to the partnership at its principal executive office.

(c) The resignation of an agent may be effective if, on a form prescribed by the Secretary of State containing the name of the partnership and the Secretary of State's file number for the partnership and the name of the agent for service of process, the agent disclaims having been properly appointed as the agent.

(d) If an individual who has been designated agent for service of process dies or resigns or no longer resides in the state, or if the corporate agent for that purpose resigns, dissolves, withdraws from the state, forfeits its right to transact intrastate business, has its corporate rights, powers, and privileges suspended, or ceases to exist, the partnership or foreign partnership shall promptly file an amended statement of partnership authority, designating a new agent.

(e) The Secretary of State may destroy or otherwise dispose of any statement of resignation filed pursuant to this section after a new statement of partnership authority is filed pursuant to Section 16303 replacing the agent for service of process that has resigned.

SEC. 32. Section 16906 of the Corporations Code is amended to read:

16906. (a) If the converting partnership has filed a statement of partnership authority under Section 16303 that is effective at the time of the conversion, then upon conversion to a domestic limited partnership,

limited liability company, or corporation, the certificate of limited partnership, articles of organization, or articles of incorporation filed by the converted entity, as applicable, shall contain a statement of conversion, in that form as may be prescribed by the Secretary of State. If the converting partnership has not filed a statement of partnership authority under Section 16303 that is effective at the time of the conversion, upon conversion to a domestic limited partnership, limited liability company, or corporation, the converted entity may, but is not required to file, on its certificate of limited partnership, articles of organization, or articles of incorporation, a statement of conversion. A statement of conversion shall set forth all of the following:

(1) The name of the converting partnership and the Secretary of State's file number, if any, of the converting partnership.

(2) A statement that the principal terms of the plan of conversion were approved by a vote of the partners, which equaled or exceeded the vote required under Section 16903.

(3) The name and street address of the partnership's agent for service of process. If a corporation qualified under Section 1505 is designated, no address for it shall be set forth.

(b) A partnership converting to a foreign other business entity that has filed a statement of partnership authority under Section 16303 that is effective at the time of conversion may file a certificate of conversion with the Secretary of State. The certificate of conversion shall contain the following:

(1) The names of the converting partnership and the converted entity.

(2) The street address of the converted entity's chief executive office and of an office in this state, if any.

(3) The form of organization of the converted entity.

(4) The name, street address, and mailing address of the partnership's agent for service of process. If a corporation qualified under Section 1505 is designated as the agent, no address for it shall be set forth.

(c) The filing with the Secretary of State of a certificate of limited partnership, articles of organization, or articles of incorporation containing a statement of conversion as set forth in subdivision (a) or a certificate of conversion filed pursuant to subdivision (b) shall have the effect of the filing of a cancellation by the converting partnership of any statement of partnership authority filed by it.

SEC. 33. Section 16915 of the Corporations Code is amended to read:

16915. (a) In a merger involving a domestic partnership, in which another partnership or a foreign other business entity is a party, but in which no other domestic other business entity is a party, the surviving partnership or surviving foreign other business entity may file with the Secretary of State a statement that one or more partnerships have merged into the surviving partnership or surviving foreign other business entity, or that one or more partnerships or foreign other business entities have merged into the surviving domestic partnership. A statement of merger shall contain the following:

(1) The name of each partnership or foreign other business entity that is a party to the merger.

(2) The name of the surviving entity into which the other partnerships or foreign other business entities were merged.

(3) The street address of the surviving entity's chief executive office and of an office in this state, if any.

(4) Whether the surviving entity is a partnership or a foreign other business entity, specifying the type of the entity.

(b) In a merger involving a domestic partnership in which a domestic other business entity is also a party, after approval of the merger by the constituent partnerships and any constituent other business entities, the constituent partnerships and constituent other business entities shall file a certificate of merger in the office of, and on a form prescribed by, the Secretary of State, but if the surviving entity is a domestic corporation or a foreign corporation in a merger in which a domestic corporation is a constituent party, the surviving corporation shall file in the office of the Secretary of State a copy of the agreement of merger and attachments required under paragraph (1) of subdivision (g) of Section 1113. The certificate of merger shall be executed and acknowledged by each domestic constituent partnership by two partners (unless a lesser number is provided in the partnership agreement) and by each foreign constituent partnership by one or more partners, and by each constituent other business entity by those persons required to execute the certificate of merger by the laws under which the constituent other business entity is organized. The certificate of merger shall set forth all of the following:

(1) The names and the Secretary of State's file numbers, if any, of each of the constituent partnerships and constituent other business entities, separately identifying the disappearing partnerships and disappearing other business entities and the surviving partnership or surviving other business entity.

(2) If a vote of the partners was required under Section 16911, a statement that the principal terms of the agreement of merger were approved by a vote of the partners, which equaled or exceeded the vote required.

(3) If the surviving entity is a domestic partnership and not an other business entity, any change to the information set forth in any filed statement of partnership authority of the surviving partnership resulting from the merger, including any change in the name of the surviving partnership resulting from the merger. The filing of a certificate of merger setting forth any changes to any filed statement of partnership authority of the surviving partnership shall have the effect of the filing of a certificate of amendment of the statement of partnership authority by the surviving partnership, and the surviving partnership need not file a certificate of amendment under Section 16105 to reflect those changes.

(4) The future effective date or time (which shall be a date or time certain not more than 90 days subsequent to the date of filing) of the merger, if the merger is not to be effective upon the filing of the certificate of merger with the office of the Secretary of State.

(5) If the surviving entity is an other business entity or a foreign partnership, the full name, type of entity, legal jurisdiction in which the entity was organized and by whose laws its internal affairs are governed, and the address of the principal place of business of the entity.

(6) Any other information required to be stated in the certificate of merger by the laws under which each constituent other business entity is organized.

(c) A statement of merger or a certificate of merger, as is applicable under subdivision (a) or (b), shall have the effect of the filing of a cancellation for each disappearing partnership of any statement of partnership authority filed by it, and shall have the effect of filing the notice of cessation required by Section 16954 or 16960, if applicable.

SEC. 34. Section 16953 of the Corporations Code is amended to read:

16953. (a) To become a registered limited liability partnership, a partnership, other than a limited partnership, shall file with the Secretary of State a registration, executed by one or more partners authorized to execute a registration, stating all of the following:

(1) The name of the partnership.

(2) The street address of its principal office.

(3) The mailing address of its principal office, if different from the street address.

(4) The name and street address of the agent for service of process on the limited liability partnership in California in accordance with subdivision (a) of Section 16309.

(5) A brief statement of the business in which the partnership engages.

(6) Any other matters that the partnership determines to include.

(7) That the partnership is registering as a registered limited liability partnership.

(b) The registration shall be accompanied by a fee as set forth in subdivision (a) of Section 12189 of the Government Code.

(c) The Secretary of State shall register as a registered limited liability partnership any partnership that submits a completed registration with the required fee.

(d) The Secretary of State may cancel the filing of the registration if a check or other remittance accepted in payment of the filing fee is not paid upon presentation. Upon receiving written notification that the item presented for payment has not been honored for payment, the Secretary of State shall give a first written notice of the applicability of this section to the agent for service of process or to the person submitting the instrument. Thereafter, if the amount has not been paid by cashier's check or equivalent, the Secretary of State shall give a second written notice of cancellation and the cancellation shall thereupon be effective. The second notice shall be given 20 days or more after the first notice and 90 days or less after the date of the original filing.

(e) A partnership becomes a registered limited liability partnership at the time of the filing of the initial registration with the Secretary of State or at any later date or time specified in the registration and the payment of the fee required by subdivision (b). A partnership continues as a registered

limited liability partnership until a notice that it is no longer a registered limited liability partnership has been filed pursuant to subdivision (b) of Section 16954 or, if applicable, until it has been dissolved and finally wound up. The status of a partnership as a registered limited liability partnership and the liability of a partner of the registered limited liability partnership shall not be adversely affected by errors or subsequent changes in the information stated in a registration under subdivision (a) or an amended registration or notice under Section 16954.

(f) The fact that a registration or amended registration pursuant to this section is on file with the Secretary of State is notice that the partnership is a registered limited liability partnership and of those other facts contained therein that are required to be set forth in the registration or amended registration.

(g) The Secretary of State shall provide a form for a registration under subdivision (a), which shall include the form for confirming compliance with the optional security requirement pursuant to subdivision (c) of Section 16956. The Secretary of State shall include with instructional materials provided in conjunction with the form for a registration under subdivision (a) a notice that filing the registration will obligate the limited liability partnership to pay an annual tax for that taxable year to the Franchise Tax Board pursuant to Section 17948 of the Revenue and Taxation Code. That notice shall be updated annually to specify the dollar amount of the tax.

(h) A limited liability partnership providing professional limited liability partnership services in this state shall comply with all statutory and administrative registration or filing requirements of the state board, commission, or other agency that prescribes the rules and regulations governing the particular profession in which the partnership proposes to engage, pursuant to the applicable provisions of the Business and Professions Code relating to that profession. The state board, commission, or other agency shall not disclose, unless compelled by a subpoena or other order of a court of competent jurisdiction, any information it receives in the course of evaluating the compliance of a limited liability partnership with applicable statutory and administrative registration or filing requirements, provided that nothing in this section shall be construed to prevent a state board, commission, or other agency from disclosing the manner in which the limited liability partnership has complied with the requirements of Section 16956, or the compliance or noncompliance by the limited liability partnership with any other requirements of the state board, commission, or other agency.

(i) An agent designated for service of process may deliver to the Secretary of State, on a form prescribed by the Secretary of State for filing, a signed and acknowledged written statement of resignation as an agent for service of process containing the name of the limited liability partnership and the Secretary of State's file number of the limited liability partnership, the name of the resigning agent for service of process, and a statement that the agent is resigning. On filing of the statement of resignation, the authority of the agent to act in that capacity shall cease and the Secretary of State shall mail

or otherwise provide written notice of the filing of the statement of resignation to the limited liability partnership at its principal office.

(j) The resignation of an agent may be effective if, on a form prescribed by the Secretary of State containing the name of the limited liability partnership and Secretary of State's file number for the limited liability partnership and the name of the agent for service of process, the agent disclaims having been properly appointed as the agent.

(k) If an individual who has been designated agent for service of process dies, resigns, or no longer resides in the state or if the corporate agent for that purpose resigns, dissolves, withdraws from the state, forfeits its right to transact intrastate business, has its corporate rights, powers, and privileges suspended, or ceases to exist, the limited liability partnership shall promptly file an amended registration as a limited liability partnership designating a new agent.

(l) The Secretary of State may destroy or otherwise dispose of any statement of resignation filed pursuant to this section after a new registration is filed pursuant to this section replacing the agent for service of process that has resigned.

SEC. 35. Section 16959 of the Corporations Code, as amended by Section 43 of Chapter 494 of the Statutes of 2012, is amended to read:

16959. (a) (1) Before transacting intrastate business in this state, a foreign limited liability partnership shall comply with all statutory and administrative registration or filing requirements of the state board, commission, or agency that prescribes the rules and regulations governing a particular profession in which the partnership proposes to be engaged, pursuant to the applicable provisions of the Business and Professions Code relating to the profession or applicable rules adopted by the governing board. A foreign limited liability partnership that transacts intrastate business in this state shall within 30 days after the effective date of the act enacting this section or the date on which the foreign limited liability partnership first transacts intrastate business in this state, whichever is later, register with the Secretary of State by submitting to the Secretary of State an application for registration as a foreign limited liability partnership, signed by a person with authority to do so under the laws of the jurisdiction of formation of the foreign limited liability partnership, stating the name of the partnership, the street address of its principal office, the mailing address of the principal office if different from the street address, the name and street address of its agent for service of process in this state in accordance with subdivision (a) of Section 16309, a brief statement of the business in which the partnership engages, and any other matters that the partnership determines to include.

(2) Annexed to the application for registration shall be a certificate from an authorized public official of the foreign limited liability partnership's jurisdiction of organization to the effect that the foreign limited liability partnership is in good standing in that jurisdiction, if the laws of that jurisdiction permit the issuance of those certificates, or, in the alternative, a statement by the foreign limited liability partnership that the laws of its jurisdiction of organization do not permit the issuance of those certificates.

(b) The registration shall be accompanied by a fee as set forth in subdivision (b) of Section 12189 of the Government Code.

(c) If the Secretary of State finds that an application for registration conforms to law and all requisite fees have been paid, the Secretary of State shall issue a certificate of registration to transact intrastate business in this state.

(d) The Secretary of State may cancel the filing of the registration if a check or other remittance accepted in payment of the filing fee is not paid upon presentation. Upon receiving written notification that the item presented for payment has not been honored for payment, the Secretary of State shall give a first written notice of the applicability of this section to the agent for service of process or to the person submitting the instrument. Thereafter, if the amount has not been paid by cashier's check or equivalent, the Secretary of State shall give a second written notice of cancellation and the cancellation shall thereupon be effective. The second notice shall be given 20 days or more after the first notice and 90 days or less after the original filing.

(e) A partnership becomes registered as a foreign limited liability partnership at the time of the filing of the initial registration with the Secretary of State or at any later date or time specified in the registration and the payment of the fee required by subdivision (b). A partnership continues to be registered as a foreign limited liability partnership until a notice that it is no longer so registered as a foreign limited liability partnership has been filed pursuant to Section 16960 or, if applicable, once it has been dissolved and finally wound up. The status of a partnership registered as a foreign limited liability partnership and the liability of a partner of that foreign limited liability partnership shall not be adversely affected by errors or subsequent changes in the information stated in an application for registration under subdivision (a) or an amended registration or notice under Section 16960.

(f) The fact that a registration or amended registration pursuant to Section 16960 is on file with the Secretary of State is notice that the partnership is a foreign limited liability partnership and of those other facts contained therein that are required to be set forth in the registration or amended registration.

(g) The Secretary of State shall provide a form for a registration under subdivision (a), which shall include the form for confirming compliance with the optional security requirement pursuant to subdivision (c) of Section 16956. The Secretary of State shall include with instructional materials, provided in conjunction with the form for registration under subdivision (a), a notice that filing the registration will obligate the limited liability partnership to pay an annual tax for that taxable year to the Franchise Tax Board pursuant to Section 17948 of the Revenue and Taxation Code. That notice shall be updated annually to specify the dollar amount of this tax.

(h) A foreign limited liability partnership transacting intrastate business in this state shall not maintain any action, suit, or proceeding in any court of this state until it has registered in this state pursuant to this section.

(i) Any foreign limited liability partnership that transacts intrastate business in this state without registration is subject to a penalty of twenty dollars (\$20) for each day that unauthorized intrastate business is transacted, up to a maximum of ten thousand dollars (\$10,000).

(j) A partner of a foreign limited liability partnership is not liable for the debts or obligations of the foreign limited liability partnership solely by reason of its having transacted business in this state without registration.

(k) A foreign limited liability partnership, transacting business in this state without registration, appoints the Secretary of State as its agent for service of process with respect to causes of action arising out of the transaction of business in this state.

(l) “Transact intrastate business” as used in this section means to repeatedly and successively provide professional limited liability partnership services in this state, other than in interstate or foreign commerce.

(m) Without excluding other activities that may not be considered to be transacting intrastate business, a foreign limited liability partnership shall not be considered to be transacting intrastate business merely because its subsidiary or affiliate transacts intrastate business, or merely because of its status as any one or more of the following:

- (1) A shareholder of a domestic corporation.
- (2) A shareholder of a foreign corporation transacting intrastate business.
- (3) A limited partner of a foreign limited partnership transacting intrastate business.

(4) A limited partner of a domestic limited partnership.

(5) A member or manager of a foreign limited liability company transacting intrastate business.

(6) A member or manager of a domestic limited liability company.

(n) Without excluding other activities that may not be considered to be transacting intrastate business, a foreign limited liability partnership shall not be considered to be transacting intrastate business within the meaning of this subdivision solely by reason of carrying on in this state any one or more of the following activities:

(1) Maintaining or defending any action or suit or any administrative or arbitration proceeding, or effecting the settlement thereof or the settlement of claims or disputes.

(2) Holding meetings of its partners or carrying on any other activities concerning its internal affairs.

(3) Maintaining bank accounts.

(4) Maintaining offices or agencies for the transfer, exchange, and registration of the foreign limited liability partnership’s securities or maintaining trustees or depositories with respect to those securities.

(5) Effecting sales through independent contractors.

(6) Soliciting or procuring orders, whether by mail or through employees or agents or otherwise, where those orders require acceptance without this state before becoming binding contracts.

(7) Creating or acquiring evidences of debt or mortgages, liens, or security interest in real or personal property.

(8) Securing or collecting debts or enforcing mortgages and security interests in property securing the debts.

(9) Conducting an isolated transaction that is completed within 180 days and not in the course of a number of repeated transactions of a like nature.

(o) A person shall not be deemed to be transacting intrastate business in this state merely because of its status as a partner of a registered limited liability partnership or a foreign limited liability company whether or not registered to transact intrastate business in this state.

(p) The Attorney General may bring an action to restrain a foreign limited liability partnership from transacting intrastate business in this state in violation of this chapter.

(q) Nothing in this section is intended to, or shall, augment, diminish, or otherwise alter existing provisions of law, statutes, or court rules relating to services by a California architect, California public accountant, California engineer, California land surveyor, or California attorney in another jurisdiction, or services by an out-of-state architect, out-of-state public accountant, out-of-state engineer, out-of-state land surveyor, or out-of-state attorney in California.

(r) An agent designated for service of process may deliver to the Secretary of State, on a form prescribed by the Secretary of State for filing, a signed and acknowledged written statement of resignation as an agent for service of process containing the name of the foreign limited liability partnership and Secretary of State's file number of the foreign limited liability partnership, the name of the resigning agent for service of process, and a statement that the agent is resigning. On filing of the statement of resignation, the authority of the agent to act in that capacity shall cease and the Secretary of State shall mail or otherwise provide written notice of the filing of the statement of resignation to the foreign limited liability partnership at its principal office.

(s) The resignation of an agent may be effective if, on a form prescribed by the Secretary of State containing the name of the foreign limited liability partnership and Secretary of State's file number for the foreign limited liability partnership and the name of the agent for service of process, the agent disclaims having been properly appointed as the agent.

(t) If an individual who has been designated agent for service of process dies or resigns or no longer resides in the state, or if the corporate agent for that purpose resigns, dissolves, withdraws from the state, forfeits its right to transact intrastate business, has its corporate rights, powers, and privileges suspended, or ceases to exist, the foreign limited liability partnership shall promptly file an amended application for registration as a foreign limited liability partnership designating a new agent.

(u) The Secretary of State may destroy or otherwise dispose of any resignation filed pursuant to this section after a new application for registration as a foreign limited liability partnership is filed pursuant to this section replacing the agent for service of process that has resigned.

(v) This section shall remain in effect only until January 1, 2016, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2016, deletes or extends that date.

SEC. 36. Section 16959 of the Corporations Code, as amended by Section 44 of Chapter 494 of the Statutes of 2012, is amended to read:

16959. (a) (1) Before transacting intrastate business in this state, a foreign limited liability partnership shall comply with all statutory and administrative registration or filing requirements of the state board, commission, or agency that prescribes the rules and regulations governing a particular profession in which the partnership proposes to be engaged, pursuant to the applicable provisions of the Business and Professions Code relating to the profession or applicable rules adopted by the governing board. A foreign limited liability partnership that transacts intrastate business in this state shall within 30 days after the effective date of the act enacting this section or the date on which the foreign limited liability partnership first transacts intrastate business in this state, whichever is later, register with the Secretary of State by submitting to the Secretary of State an application for registration as a foreign limited liability partnership, signed by a person with authority to do so under the laws of the jurisdiction of formation of the foreign limited liability partnership, stating the name of the partnership, the street address of its principal office, the mailing address of the principal office if different from the street address, the name and street address of its agent for service of process in this state in accordance with subdivision (a) of Section 16309, a brief statement of the business in which the partnership engages, and any other matters that the partnership determines to include.

(2) Annexed to the application for registration shall be a certificate from an authorized public official of the foreign limited liability partnership's jurisdiction of organization to the effect that the foreign limited liability partnership is in good standing in that jurisdiction, if the laws of that jurisdiction permit the issuance of those certificates, or, in the alternative, a statement by the foreign limited liability partnership that the laws of its jurisdiction of organization do not permit the issuance of those certificates.

(b) The registration shall be accompanied by a fee as set forth in subdivision (b) of Section 12189 of the Government Code.

(c) If the Secretary of State finds that an application for registration conforms to law and all requisite fees have been paid, the Secretary of State shall issue a certificate of registration to transact intrastate business in this state.

(d) The Secretary of State may cancel the filing of the registration if a check or other remittance accepted in payment of the filing fee is not paid upon presentation. Upon receiving written notification that the item presented for payment has not been honored for payment, the Secretary of State shall give a first written notice of the applicability of this section to the agent for service of process or to the person submitting the instrument. Thereafter, if the amount has not been paid by cashier's check or equivalent, the Secretary of State shall give a second written notice of cancellation and the cancellation

shall thereupon be effective. The second notice shall be given 20 days or more after the first notice and 90 days or less after the original filing.

(e) A partnership becomes registered as a foreign limited liability partnership at the time of the filing of the initial registration with the Secretary of State or at any later date or time specified in the registration and the payment of the fee required by subdivision (b). A partnership continues to be registered as a foreign limited liability partnership until a notice that it is no longer so registered as a foreign limited liability partnership has been filed pursuant to Section 16960 or, if applicable, once it has been dissolved and finally wound up. The status of a partnership registered as a foreign limited liability partnership and the liability of a partner of that foreign limited liability partnership shall not be adversely affected by errors or subsequent changes in the information stated in an application for registration under subdivision (a) or an amended registration or notice under Section 16960.

(f) The fact that a registration or amended registration pursuant to Section 16960 is on file with the Secretary of State is notice that the partnership is a foreign limited liability partnership and of those other facts contained therein that are required to be set forth in the registration or amended registration.

(g) The Secretary of State shall provide a form for a registration under subdivision (a), which shall include the form for confirming compliance with the optional security requirement pursuant to subdivision (c) of Section 16956. The Secretary of State shall include with instructional materials, provided in conjunction with the form for registration under subdivision (a), a notice that filing the registration will obligate the limited liability partnership to pay an annual tax for that taxable year to the Franchise Tax Board pursuant to Section 17948 of the Revenue and Taxation Code. That notice shall be updated annually to specify the dollar amount of this tax.

(h) A foreign limited liability partnership transacting intrastate business in this state shall not maintain any action, suit, or proceeding in any court of this state until it has registered in this state pursuant to this section.

(i) Any foreign limited liability partnership that transacts intrastate business in this state without registration is subject to a penalty of twenty dollars (\$20) for each day that unauthorized intrastate business is transacted, up to a maximum of ten thousand dollars (\$10,000).

(j) A partner of a foreign limited liability partnership is not liable for the debts or obligations of the foreign limited liability partnership solely by reason of its having transacted business in this state without registration.

(k) A foreign limited liability partnership, transacting business in this state without registration, appoints the Secretary of State as its agent for service of process with respect to causes of action arising out of the transaction of business in this state.

(l) “Transact intrastate business” as used in this section means to repeatedly and successively provide professional limited liability partnership services in this state, other than in interstate or foreign commerce.

(m) Without excluding other activities that may not be considered to be transacting intrastate business, a foreign limited liability partnership shall not be considered to be transacting intrastate business merely because its subsidiary or affiliate transacts intrastate business, or merely because of its status as any one or more of the following:

- (1) A shareholder of a domestic corporation.
- (2) A shareholder of a foreign corporation transacting intrastate business.
- (3) A limited partner of a foreign limited partnership transacting intrastate business.
- (4) A limited partner of a domestic limited partnership.
- (5) A member or manager of a foreign limited liability company transacting intrastate business.
- (6) A member or manager of a domestic limited liability company.

(n) Without excluding other activities that may not be considered to be transacting intrastate business, a foreign limited liability partnership shall not be considered to be transacting intrastate business within the meaning of this subdivision solely by reason of carrying on in this state any one or more of the following activities:

- (1) Maintaining or defending any action or suit or any administrative or arbitration proceeding, or effecting the settlement thereof or the settlement of claims or disputes.
- (2) Holding meetings of its partners or carrying on any other activities concerning its internal affairs.
- (3) Maintaining bank accounts.
- (4) Maintaining offices or agencies for the transfer, exchange, and registration of the foreign limited liability partnership's securities or maintaining trustees or depositories with respect to those securities.
- (5) Effecting sales through independent contractors.
- (6) Soliciting or procuring orders, whether by mail or through employees or agents or otherwise, where those orders require acceptance without this state before becoming binding contracts.
- (7) Creating or acquiring evidences of debt or mortgages, liens, or security interest in real or personal property.
- (8) Securing or collecting debts or enforcing mortgages and security interests in property securing the debts.
- (9) Conducting an isolated transaction that is completed within 180 days and not in the course of a number of repeated transactions of a like nature.

(o) A person shall not be deemed to be transacting intrastate business in this state merely because of its status as a partner of a registered limited liability partnership or a foreign limited liability company whether or not registered to transact intrastate business in this state.

(p) The Attorney General may bring an action to restrain a foreign limited liability partnership from transacting intrastate business in this state in violation of this chapter.

(q) Nothing in this section is intended to, or shall, augment, diminish, or otherwise alter existing provisions of law, statutes, or court rules relating to services by a California architect, California public accountant, or

California attorney in another jurisdiction, or services by an out-of-state architect, out-of-state public accountant, or out-of-state attorney in California.

(r) An agent designated for service of process may deliver to the Secretary of State, on a form prescribed by the Secretary of State for filing, a signed and acknowledged written statement of resignation as an agent for service of process containing the name of the foreign limited liability partnership and Secretary of State's file number of the foreign limited liability partnership, the name of the resigning agent for service of process, and a statement that the agent is resigning. On filing of the statement of resignation, the authority of the agent to act in that capacity shall cease and the Secretary of State shall mail or otherwise provide written notice of the filing of the statement of resignation to the foreign limited liability partnership at its principal office.

(s) The resignation of an agent may be effective if, on a form prescribed by the Secretary of State containing the name and Secretary of State's file number for the foreign limited liability partnership and the name of the agent for service of process, the agent disclaims having been properly appointed as the agent.

(t) If an individual who has been designated agent for service of process dies or resigns or no longer resides in the state, or if the corporate agent for that purpose resigns, dissolves, withdraws from the state, forfeits its right to transact intrastate business, has its corporate rights, powers, and privileges suspended, or ceases to exist, the foreign limited liability partnership shall promptly file an amended application for registration as a foreign limited liability partnership designating a new agent.

(u) The Secretary of State may destroy or otherwise dispose of any resignation filed pursuant to this section after a new application for registration as a foreign limited liability partnership is filed pursuant to this section replacing the agent for service of process that has resigned.

(v) This section shall become operative on January 1, 2016.

SEC. 37. Section 16960 of the Corporations Code is amended to read:

16960. (a) The registration of a foreign limited liability partnership may be amended by an amended registration executed by one or more partners authorized to execute an amended registration and filed with the Secretary of State, as soon as reasonably practical after any information set forth in the registration or previously filed amended registration becomes inaccurate, to add information to the registration or amended registration or to withdraw its registration as a foreign limited liability partnership.

(b) If a foreign limited liability partnership ceases to be a limited liability partnership, it shall file with the Secretary of State a notice, executed by one or more partners authorized to execute the notice, that it is no longer a foreign limited liability partnership. The notice shall state that a final annual tax return, as described by Section 17948.3 of the Revenue and Taxation Code, has been or will be filed with the Franchise Tax Board, as required under Part 10.2 (commencing with Section 18401) of the Revenue and Taxation Code.

(c) A foreign limited liability partnership that is, but is no longer required to be, registered under Section 16959 may withdraw its registration by filing a notice with the Secretary of State, executed by one or more partners authorized to execute the notice.

(d) The Secretary of State shall provide forms for an amended registration under subdivision (a) and notices under subdivisions (b) and (c).

(e) If a foreign limited liability partnership files an amendment changing the name of the foreign limited liability partnership in its jurisdiction of organization, annexed to the application for registration shall be a certificate from an authorized public official of the foreign limited liability partnership's jurisdiction of organization certifying that the foreign limited liability partnership is in good standing and that the change of name was made in accordance with the laws of that jurisdiction, if the laws of that jurisdiction permit the issuance of those certificates, or, in the alternative, a statement by the foreign limited liability partnership that the laws of its jurisdiction of organization do not permit the issuance of those certificates. Unless the Secretary of State determines that the amendment to the application changing the name or alternate name of a foreign limited liability partnership does not comply with the filing requirements of this chapter, the Secretary of State, upon payment of all requisite fees, shall file the amended application and shall issue to the foreign limited liability partnership a new certificate of registration stating the date of filing of the amendment to the application changing the name and that the foreign limited liability partnership is qualified to transact intrastate business, subject to any licensing requirements otherwise imposed by the laws of this state.

(f) The filing of amended registration forms pursuant to subdivision (a) and a notice pursuant to subdivision (b) or (c) shall each be accompanied by a fee as set forth in subdivision (d) of Section 12189 of the Government Code.

(g) A notice of cessation, signed pursuant to subdivision (b), shall be filed with the Secretary of State. The Secretary of State shall notify the Franchise Tax Board of the cessation.

SEC. 38. Section 17701.09 of the Corporations Code is amended to read:

17701.09. (a) Upon payment of the fee prescribed by Section 12190 of the Government Code, a person may apply to reserve the exclusive use of the name of a limited liability company or foreign limited liability company, including an alternative name for a foreign limited liability company whose name is not available. If the Secretary of State finds that the name applied for is available, it shall reserve the name for the applicant's exclusive use for up to 60 days and issue a certificate of reservation. The Secretary of State shall not issue certificates reserving the same name for two or more consecutive 60-day periods to the same applicant or for the use or benefit of the same person; nor shall consecutive reservations be made by or for the use or benefit of the same person for a name so similar as to fall within the prohibitions of subdivision (b) of Section 17701.08.

(b) The owner of a name reserved for a limited liability company or foreign limited liability company may transfer the reservation to another person by delivering to the Secretary of State a signed notice of the transfer which states the reserved name and the name and address of the transferee.

SEC. 39. Section 17701.15 of the Corporations Code is amended to read:

17701.15. (a) To resign as an agent for service of process of a limited liability company or foreign limited liability company, the agent shall deliver to the Secretary of State for filing, on a form prescribed by the Secretary of State for filing, a signed and acknowledged statement of resignation as an agent for service of process containing the name of the limited liability company or foreign limited liability company, the Secretary of State's file number for the limited liability company or foreign limited liability company, the name of the resigning agent for service of process, and a statement that the agent is resigning.

(b) The Secretary of State shall mail or otherwise provide written notice of the statement of resignation to the designated office of the limited liability company or, in the case of a foreign limited liability company, to the principal office.

(c) Upon filing of the statement of resignation, the authority of the agent to act in that capacity shall cease.

(d) The resignation of an agent may be effective if, on a form prescribed by the Secretary of State containing the name of the limited liability company and Secretary of State's file number for the limited liability company and the name of the agent for service of process, the agent disclaims having been properly appointed as the agent.

(e) If an individual who has been designated agent for service of process dies or resigns or no longer resides in the state, or if the corporate agent for that purpose resigns, dissolves, withdraws from the state, forfeits its right to transact intrastate business in this state, has its corporate rights, powers, and privileges suspended, or ceases to exist, the limited liability company or foreign limited liability company shall promptly file an initial or amended statement of information as set forth in Section 17702.09.

(f) The Secretary of State may destroy or otherwise dispose of a resignation filed pursuant to this section after a new form is filed pursuant to Section 17702.09 replacing the agent for service of process that has resigned.

SEC. 40. Section 17702.02 of the Corporations Code is amended to read:

17702.02. (a) The articles of organization may be amended or restated at any time.

(b) To amend its articles of organization, a limited liability company shall deliver to the Secretary of State a certificate of amendment, on a form prescribed by the Secretary of State for filing, stating all of the following:

- (1) The present name of the limited liability company.
- (2) The Secretary of State's file number for the limited liability company.

(3) The changes the amendment makes to the articles of organization as most recently amended or restated.

(c) To restate its articles of organization, a limited liability company shall deliver to the Secretary of State for filing, on a form prescribed by the Secretary of State entitled “Restated Articles of Organization,” stating, as applicable, the following:

(1) The present name of the limited liability company and the Secretary of State’s file number for the limited liability company.

(2) The entire text of the articles of organization as amended to the date of filing, except that if the limited liability company has filed a statement of information under Section 17702.09, the initial street address, the initial mailing address, and the name and address of the initial agent for service of process shall not be set forth.

(d) Subject to subdivision (c) of Section 17701.12 and subdivision (c) of Section 17702.05, an amendment to or restatement of the articles of organization is effective when filed by the Secretary of State and shall be duly executed by at least one manager of a manager-managed limited liability company or at least one member of a member-managed limited liability company unless a greater number is provided in the articles of organization.

(e) If a member of a member-managed limited liability company, or a manager of a manager-managed limited liability company, knows that any information in filed articles of organization was inaccurate when the articles were filed or has become inaccurate owing to changed circumstances, the member or manager shall promptly do the following:

(1) Cause the articles to be amended.

(2) If appropriate, deliver to the Secretary of State for filing a statement of information under Section 17701.14 or a certificate of correction under Section 17702.06.

(f) A limited liability company shall not amend its articles of organization pursuant to subdivision (b) or restate its articles of organization pursuant to subdivision (c) in order to change its designated office, its mailing address, its agent for service of process, or the address of its agent for service of process. To change that information, the limited liability company shall deliver to the Secretary of State for filing a statement of information under Section 17701.14.

SEC. 41. Section 17702.03 of the Corporations Code is amended to read:

17702.03. (a) A record delivered to the Secretary of State for filing pursuant to this title shall be signed as follows:

(1) Except as otherwise provided in paragraphs (2) and (3), a record signed on behalf of a limited liability company shall be signed by a person authorized by the limited liability company.

(2) A limited liability company’s initial articles of organization shall be signed by at least one person acting as an organizer.

(3) A record filed on behalf of a dissolved limited liability company that has no members shall be signed by the person winding up the limited liability

company's activities or a person appointed under Section 17707.04 to wind up those activities.

(4) A certificate of cancellation under Section 17707.02 shall be signed by each organizer that signed the initial articles of organization, but a personal representative of a deceased or incompetent organizer may sign in the place of the decedent or incompetent.

(5) A certificate of cancellation under Section 17707.08 shall be signed by a majority of managers unless the event causing the dissolution that is specified in subdivision (c) of Section 17707.01 occurs, in which case the certificate of cancellation shall be signed as provided in paragraph (3).

(6) A certificate of correction shall be executed in the same manner in which the record being corrected was required to be executed.

(b) Any record filed under this title may be signed by an agent.

(c) A limited liability company may record in the office of the county recorder of any county in this state, and county recorders, on request, shall record a certified copy of the limited liability company articles of organization and any exhibit or attachment, or any amendment or correction thereto, that has been filed in the office of the Secretary of State. A foreign limited liability company may record in the office of the county recorder of any county in the state a certified copy of the application for registration of the foreign limited liability company, or any amendment thereto, that has been filed in the office of the Secretary of State. The recording shall create a conclusive presumption in favor of any bona fide purchaser or encumbrancer for value of the limited liability company real property located in the county in which the certified copy has been recorded, of the statements contained therein.

(d) If the Secretary of State determines that an instrument submitted for filing or otherwise submitted does not conform to the law and returns it to the person submitting it, the instrument may be resubmitted accompanied by a written opinion of a member of the State Bar of California submitting the instrument or representing the person submitting it, to the effect that the specific provisions of the instrument objected to by the Secretary of State do conform to law and stating the points and authorities upon which the opinion is based. The Secretary of State shall rely, with respect to any disputed point of law, other than the application of Sections 17701.08, 17701.09, 17708.02, and 17708.03, upon that written opinion in determining whether the instrument conforms to law. The date of filing in that case shall be the date the instrument is received on resubmission.

SEC. 42. Section 17702.06 of the Corporations Code is amended to read:

17702.06. (a) A limited liability company or foreign limited liability company may deliver to the Secretary of State for filing a certificate of correction on a form prescribed by the Secretary of State to correct a record previously delivered by the limited liability company or foreign limited liability company to the Secretary of State and filed by the Secretary of State, if at the time of filing the record contained inaccurate information or was defectively signed.

(b) A certificate of correction under subdivision (a) may not state a delayed effective date and shall do all of the following:

(1) State the present name of the limited liability company or foreign limited liability company and the Secretary of State's file number.

(2) Describe the title to the document to be corrected, including its filing date.

(3) Set forth the name of each party to the document to be corrected.

(4) Specify the inaccurate information and the reason it is inaccurate or the manner in which the signing was defective.

(5) Correct the defective signature or inaccurate information.

(c) A certificate of correction shall be executed in the same manner in which the record being corrected was required to be executed.

(d) When filed by the Secretary of State, a certificate of correction under subdivision (a) is effective retroactively as of the effective date of the record the certificate corrects, but the statement is effective when filed as to persons that previously relied on the uncorrected record and would be adversely affected by the retroactive effect.

SEC. 43. Section 17707.08 of the Corporations Code is amended to read:

17707.08. (a) (1) The managers shall sign and cause to be filed in the office of, and on a form prescribed by, the Secretary of State, a certificate of dissolution upon the dissolution of the limited liability company pursuant to Article 7 (commencing with Section 17707.01), unless the event causing the dissolution is that specified in subdivision (c) of Section 17707.01, in which case the persons conducting the winding up of the limited liability company's affairs pursuant to Section 17707.04 shall have the obligation to sign and cause to be filed the certificate of dissolution.

(2) The certificate of dissolution shall set forth all of the following:

(A) The name of the limited liability company and the Secretary of State's file number.

(B) Any other information the persons filing the certificate of dissolution determine to include.

(C) The event listed in Section 17707.01 causing dissolution.

(3) If a dissolution pursuant to subdivision (b) of Section 17707.01 is made by the vote of all of the members and a statement to that effect is added to the certificate of cancellation of articles of organization pursuant to subdivision (b), the separate filing of a certificate of dissolution pursuant to this subdivision is not required.

(b) (1) The persons who filed the certificate of dissolution shall sign and cause to be filed in the office of, and on a form prescribed by, the Secretary of State, a certificate of cancellation of articles of organization upon the completion of the winding up of the affairs of the limited liability company pursuant to Section 17707.06, unless the event causing the dissolution is that specified in subdivision (c) of Section 17707.01, in that case the persons conducting the winding up of the limited liability company's affairs pursuant to Section 17707.04 shall have the obligation to sign and cause to be filed the certificate of cancellation of articles of organization.

(2) The certificate of cancellation of articles of organization shall set forth all of the following:

(A) The name of the limited liability company and the Secretary of State's file number.

(B) That a final franchise tax return, as described by Section 23332 of the Revenue and Taxation Code, or a final annual tax return, as described by Section 17947 of the Revenue and Taxation Code, has been or will be filed with the Franchise Tax Board, as required under Part 10.2 (commencing with Section 18401) of Division 2 of the Revenue and Taxation Code.

(C) That upon the filing of the certificate of cancellation, the limited liability company shall be canceled and its powers, rights, and privileges shall cease.

(D) Any other information the persons filing the certificate of cancellation of articles of organization determine to include.

(3) The Secretary of State shall notify the Franchise Tax Board of the filing.

(c) Upon filing a certificate of cancellation pursuant to subdivision (b), a limited liability company shall be canceled and its powers, rights, and privileges shall cease.

SEC. 44. Section 17708.05 of the Corporations Code is amended to read:

17708.05. (a) A foreign limited liability company whose name does not comply with Section 17701.08 shall not obtain a certificate of registration until it adopts, for the purpose of transacting intrastate business in this state, an alternate name that complies with Section 17701.08. A foreign limited liability company that adopts an alternate name under this subdivision and obtains a certificate of registration with the alternate name need not comply with fictitious or assumed name statutes. After obtaining a certificate of registration with an alternate name, a foreign limited liability company shall transact intrastate business in this state under the alternate name unless the limited liability company is authorized under fictitious or assumed name statutes to transact intrastate business in this state under another name.

(b) (1) If a foreign limited liability company authorized to transact intrastate business in this state changes its name or its alternate name or relinquishes its alternate name, the foreign limited liability company shall not thereafter transact intrastate business in this state under that name or alternate name until it delivers an amended application to register, on a form prescribed by the Secretary of State, to the Secretary of State for filing. A foreign limited liability company shall not change its alternate name unless its name does not comply with Section 17701.08.

(A) If the new name of the foreign limited liability company does not comply with Section 17701.08, an alternate name, if one has not been adopted, shall be adopted pursuant to subdivision (a).

(B) If the new name of the foreign limited liability company complies with Section 17701.08, the foreign limited liability company shall not adopt an alternate name pursuant to subdivision (a) and shall relinquish any alternate name. A foreign limited liability company that registered to transact

intrastate business with an alternate name prior to January 1, 2014, shall not be required to relinquish the alternate name.

(C) If the foreign limited liability company is changing its alternate name, the new alternate name shall comply with Section 17701.08.

(2) The amended application for registration shall state the Secretary of State's file number, the name or alternate name, and the new name or new alternate name adopted under subdivision (a). Except as otherwise provided in subparagraph (B) of paragraph (1), if the name of the limited liability company complies with Section 17701.08, the amended application for registration also shall contain the alternate name being relinquished.

(3) The foreign limited liability company shall deliver with the amended application to register a certificate, issued by the Secretary of State or other official having custody of the foreign limited liability company's publicly filed records in the state or other jurisdiction under whose law the limited liability company is formed, that certifies the change of name was made in accordance with the laws of that state or other jurisdiction. The certificate is not required if the foreign limited liability company is changing only its alternate name and the foreign limited liability company's name does not comply with Section 17701.08.

(4) Upon the filing of the amended application to register with the Secretary of State, the Secretary of State shall issue to the foreign limited liability company a new certificate of registration in accordance with Section 17708.04.

SEC. 45. Section 17708.06 of the Corporations Code is amended to read:

17708.06. (a) To cancel its registration to transact intrastate business in this state, a foreign limited liability company shall deliver to the Secretary of State for filing a certificate of cancellation, signed by a person with authority to do so under the law of the state of its organization, stating all of the following:

(1) The name under which the foreign limited liability company is authorized to transact intrastate business in this state, and the Secretary of State's file number for the foreign limited liability company.

(2) That a final franchise tax return, as described by Section 23332 of the Revenue and Taxation Code, or a final annual tax return, as described by Section 17947 of the Revenue and Taxation Code, has been or will be filed with the Franchise Tax Board, as required under Part 10.2 (commencing with Section 18401) of Division 2 of the Revenue and Taxation Code.

(3) That upon the filing of the certificate of cancellation the registration of the foreign limited liability company shall be canceled and its right to conduct intrastate business shall cease.

(b) The registration is canceled when the certificate of cancellation becomes effective.

(c) The Secretary of State may cancel the application and certificate of registration of a foreign limited liability company if a check or other remittance accepted in payment of the filing fee is not paid upon presentation. Upon receiving written notification that the item presented for payment has

not been honored for payment, the Secretary of State shall give a first written notice of the applicability of the section to the agent for service of process or to the person submitting the instrument. Thereafter, if the amount has not been paid by cashier's check or equivalent, the Secretary of State shall give a second written notice of cancellation and the cancellation shall thereupon be effective. The second notice shall be given 20 days or more after the first notice, and 90 days or less after the original filing.

SEC. 46. Section 17710.06 of the Corporations Code is amended to read:

17710.06. (a) Upon conversion of a limited liability company, one of the following applies:

(1) If the limited liability company is converting into a domestic limited partnership, a statement of conversion shall be completed on a certificate of limited partnership for the converted entity and shall be filed with the Secretary of State.

(2) If the limited liability company is converting into a domestic partnership, a statement of conversion shall be completed on the statement of partnership authority for the converted entity. If no statement of partnership authority is filed, a certificate of conversion shall be filed separately with the Secretary of State.

(3) If the limited liability company is converting into a domestic corporation, a statement of conversion shall be completed on the articles of incorporation for the converted entity and shall be filed with the Secretary of State.

(4) If the limited liability company is converting to a foreign limited liability company or foreign other business entity, a certificate of conversion shall be filed with the Secretary of State.

(b) Any certificate or statement of conversion shall be executed and acknowledged by all members, unless a lesser number is provided in the articles of organization or operating agreement, and shall set forth all of the following:

(1) The name of the converting limited liability company and the Secretary of State's file number of the converting limited liability company.

(2) A statement that the principal terms of the plan of conversion were approved by a vote of the members, that equaled or exceeded the vote required under Section 17710.03, specifying each class entitled to vote and the percentage vote required of each class.

(c) A certificate of conversion shall set forth all of the following:

(1) The name, form, and jurisdiction of organization of the converted entity.

(2) The name, street, and mailing address of the converted entity's agent for service of process.

(3) The street address of the converted entity's chief executive office.

(d) The filing with the Secretary of State of a certificate of conversion, a certificate of limited partnership, a statement of partnership authority, or articles of incorporation containing a statement of conversion as set forth in subdivision (a) shall have the effect of the filing of a certificate of

cancellation by the converting limited liability company, and no converting limited liability company that has made the filing is required to take any action under Article 7 (commencing with Section 17707.01) as a result of that conversion.

(e) For the purposes of this title, the certificate of conversion shall be on a form prescribed by the Secretary of State.

SEC. 47. Section 17710.14 of the Corporations Code is amended to read:

17710.14. (a) If the surviving entity is a limited liability company or an other business entity, other than a corporation in a merger in which a domestic corporation is a constituent party, after approval of a merger by the constituent limited liability companies and any constituent other business entities, the constituent limited liability companies and constituent other business entities shall file a certificate of merger in the office of, and on a form prescribed by, the Secretary of State. The certificate of merger shall be executed and acknowledged by each domestic constituent limited liability company by all managers, or if none, all members unless a lesser number is provided in the articles of organization or operating agreement of the domestic constituent limited liability company and by each foreign constituent limited liability company by one or more managers, or if none, members, and by each constituent other business entity by those persons required to execute the certificate of merger by the laws under which the constituent other business entity is organized. The certificate of merger shall set forth all of the following:

(1) The names and the Secretary of State's file numbers, if any, of each of the constituent limited liability companies and constituent other business entities, separately identifying the disappearing limited liability companies and disappearing other business entities and the surviving limited liability company or surviving other business entity.

(2) If a vote of the members was required pursuant to Section 17710.12, a statement setting forth the total number of outstanding interests of each class entitled to vote on the merger and that the principal terms of the agreement of merger were approved by a vote of the number of interests of each class that equaled or exceeded the vote required, specifying each class entitled to vote and the percentage vote required of each class.

(3) If the surviving entity is a limited liability company and not an other business entity, any change required to the information set forth in the articles of organization of the surviving limited liability company resulting from the merger, including any change in the name of the surviving limited liability company resulting from the merger. The filing of a certificate of merger setting forth any such changes to the articles of organization of the surviving limited liability company shall have the effect of the filing of a certificate of amendment by the surviving limited liability company, and the surviving limited liability company need not file an amendment under Section 17702.02 to reflect those changes.

(4) The future effective date, that shall be a date certain not more than 90 days subsequent to the date of filing of the merger, if the merger is not

to be effective upon the filing of the certificate of merger with the office of the Secretary of State.

(5) If the surviving entity is an other business entity or a foreign limited liability company, the full name of the entity, type of entity, legal jurisdiction where the entity was organized and by whose laws its internal affairs are governed, and the address of the principal place of business of the entity.

(6) Any other information required to be stated in the certificate of merger by the laws where each constituent other business entity is organized, including if a domestic corporation is a party to the merger, as required under paragraph (2) of subdivision (g) of Section 1113. If the surviving entity is a foreign limited liability company in a merger where a domestic corporation is a disappearing other business entity, a copy of the agreement of merger and attachments as required under paragraph (1) of subdivision (g) of Section 1113 shall be filed at the same time as the filing of the certificate of merger.

(b) If the surviving entity is a domestic corporation or a foreign corporation in a merger that a domestic corporation is a constituent party, after approval of the merger by the constituent limited liability companies and constituent other business entities, the surviving corporation shall file in the office of the Secretary of State a copy of the agreement of merger and attachments required under paragraph (1) of subdivision (g) of Section 1113. The certificate of merger shall be executed and acknowledged by each domestic constituent limited liability company by all of the managers, unless a lesser number is provided in the articles of organization of the limited liability company.

(c) A certificate of merger or the agreement of merger, as is applicable under subdivisions (a) and (b), shall have the effect of the filing of a certificate of cancellation for each disappearing limited liability company, and no disappearing limited liability company need take any action under Article 7 (commencing with Section 17707.01) concerning dissolution as a result of the merger.

(d) If a disappearing other entity is a foreign corporation qualified to transact intrastate business in this state, the filing of the certificate of merger or agreement of merger, as is applicable, by the foreign corporation shall automatically surrender its right to transact intrastate business.

SEC. 48. Section 18210 of the Corporations Code is amended to read:

18210. (a) An agent designated by an unincorporated association for the service of process may deliver to the Secretary of State, on a form prescribed by the Secretary of State for filing, a signed and acknowledged written statement of resignation as an agent for service of process containing the name of the unincorporated association and Secretary of State's file number of the unincorporated association, the name of the resigning agent for service of process, and a statement that the agent is resigning. The resignation is effective when filed. The Secretary of State shall mail or otherwise provide written notice of the filing to the unincorporated association at its address set out in the statement filed by the association.

(b) An unincorporated association may at any time file with the Secretary of State a revocation of a designation of an agent for service of process on a form prescribed by the Secretary of State containing the name of the unincorporated association and Secretary of State's file number for the unincorporated association, the name of the agent whose designation to accept service of process is being revoked and a statement that the unincorporated association has revoked the designation to accept service of process. The revocation is effective when filed.

(c) Notwithstanding subdivisions (a) and (b), service made on an agent designated by an unincorporated association for service of process in the manner provided in subdivision (e) of Section 18200 is effective if made within 30 days after the statement of resignation or the revocation is filed with the Secretary of State.

(d) The resignation of an agent may be effective if, on a form prescribed by the Secretary of State containing the name of the unincorporated association and Secretary of State's file number for the unincorporated association and the name of the agent for service of process, the agent disclaims having been properly appointed as the agent.

(e) The Secretary of State may destroy or otherwise dispose of any resignation filed pursuant to this section after a new form is filed pursuant to Section 18200 replacing the agent for service of process that has resigned.

SEC. 49. Section 14101.6 of the Financial Code is amended to read:

14101.6. (a) Every credit union shall, within 90 days after the filing of its original articles and annually thereafter during the applicable filing period in each year, file, in a form prescribed by the Secretary of State, a statement containing: (1) the name of the credit union and the Secretary of State's file number; (2) the names and complete business or residence addresses of its chief executive officers, secretary, and chief financial officer; (3) the street address of its principal office, if any; (4) if the credit union chooses to receive renewal notices and any other notifications from the Secretary of State by electronic mail instead of by United States mail, a valid electronic mail address for the credit union or for the credit union's designee to receive those notices; and (5) the mailing address of the credit union, if different from the street address of its principal office.

(b) The statement required by subdivision (a) shall also designate, as the agent of the credit union for the purpose of service of process, a natural person residing in this state or any domestic or foreign business corporation that has complied with Section 1505 of the Corporations Code and whose capacity to act as an agent has not terminated. If a natural person is designated, the statement shall set forth that person's complete business or residence street address. If a corporate agent is designated, no address for it shall be set forth.

(c) For the purposes of this section, the applicable filing period for a credit union shall be the calendar month during which its original articles were filed and the immediately preceding five calendar months. The Secretary of State shall provide a notice to each credit union to comply with this section approximately three months prior to the close of the applicable

filing period. The notice shall state the due date for compliance and shall be sent to the last address of the credit union according to the records of the Secretary of State if the credit union has elected to receive notices from the Secretary of State by electronic mail. Neither the failure of the Secretary of State to provide the notice nor the failure of the credit union to receive it is an excuse for failure to comply with this section.

(d) Whenever any of the information required by subdivision (a) is changed, the credit union may file a current statement containing all the information required thereby. In order to change its agent for service of process or the address of the agent, the corporation must file a current statement containing all the information required by subdivisions (a) and (b). Whenever any statement is filed pursuant to this section, it supersedes any previously filed statement and the statement in the articles as to the agent for service of process and the address of the agent.

(e) An agent designated for service of process pursuant to subdivision (b) may deliver to the Secretary of State, on a form prescribed by the Secretary of State for filing, a signed and acknowledged written statement of resignation as an agent for service of process containing the name of the credit union and Secretary of State's file number of the credit union, the name of the agent, and a statement that the agent is resigning. Thereupon the authority of the agent to act in such capacity shall cease and the Secretary of State forthwith shall notify the credit union of the filing of the statement of resignation.

(f) If a natural person who has been designated agent for service of process pursuant to subdivision (b) dies or resigns or no longer resides in the state, or if the corporate agent for such purpose resigns, dissolves, withdraws from the state, forfeits its right to transact intrastate business, has its corporate rights, powers, and privileges suspended or ceases to exist, the credit union shall forthwith file a new statement designating a new agent conforming to the requirements of subdivision (a).

(g) The resignation of an agent may be effective if, on a form prescribed by the Secretary of State containing the name of the credit union and Secretary of State's file number for the credit union and the name of the agent for service of process, the agent disclaims having been properly appointed as the agent.

(h) The Secretary of State may destroy or otherwise dispose of any statement or resignation filed pursuant to this section after it has been superseded by the filing of a new statement.

(i) This section shall not be construed to place any person dealing with the credit union on notice of or in any duty to inquire about the existence or content of the statement filed pursuant to this section.

SEC. 50. Section 12261 of the Government Code is amended to read:

12261. (a) The Secretary of State shall reinstate to active status on its records, a business entity for which a court finds any of the following:

(1) The factual representations by a shareholder, member, partner, or other person that are contained in the termination document are materially false.

(2) The submission of the termination document to the Secretary of State for filing is fraudulent.

(b) If a court of competent jurisdiction orders reinstatement of a business entity to active status on any of the grounds stated in paragraph (1) or (2) of subdivision (a), the order for reinstatement shall state all of the following:

(1) The specific grounds for reinstatement.

(2) That if there is a conflict with the entity name under subdivision (b) of Section 201, subdivision (b) of Section 5122, subdivision (c) of Section 7122, subdivision (b) of Section 9122, subdivision (b) of Section 12302, subdivision (d) of Section 15901.08, subdivision (b) of Section 17701.08 of the Corporations Code, or related statutes, the reinstatement shall be conditioned upon the business entity concurrently submitting for filing an amendment to change its name to eliminate the conflict along with the certified copy of the order required by Section 12263.

(3) That the business entity shall be reinstated effective from the date of the filing of the court order with the Secretary of State.

(c) The court order for reinstatement may be obtained by submitting a petition to the superior court containing the legal and factual basis for reinstatement or as part of a civil action for damages or equitable relief. The Secretary of State shall not be made a party to the proceeding.

SEC. 51. Section 2.5 of this bill incorporates amendments to Section 1155 of the Corporations Code proposed by both this bill and Senate Bill 1301. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2015, (2) each bill amends Section 1155 of the Corporations Code, and (3) this bill is enacted after Senate Bill 1301, in which case Section 2 of this bill shall not become operative.

SEC. 52. Section 9.5 of this bill incorporates amendments to Section 3304 of the Corporations Code proposed by both this bill and Senate Bill 1301. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2015, (2) each bill amends Section 3304 of the Corporations Code, and (3) this bill is enacted after Senate Bill 1301, in which case Section 9 of this bill shall not become operative.